COLONIAL DEVELOPMENT CORPORATION

REPORT AND ACCOUNTS FOR 1953

LONDON
HER MAJESTY'S STATIONERY OFFICE
TWO SHILLINGS NET

148

COMMONWEALTH MYCOLOGICAL INSTITUTE
10 MAY 19

COLONIAL DEVELOPMENT CORPORATION

ANNUAL REPORT AND STATEMENT OF ACCOUNTS

For year to
31.12.53

Presented to Parliament in pursuance of Section 16 (5) of the Overseas Resources Development Act, 1948

Ordered by The House of Commons *to be Printed*
12th April 1954

LONDON
HER MAJESTY'S STATIONERY OFFICE
TWO SHILLINGS NET

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COLONIAL DEVELOPMENT CORPORATION

33 Hill Street,
London W1

The Rt Hon Oliver Lyttelton, DSO, MC, MP
Secretary of State for the Colonies

The Members of the Colonial Development Corporation have the honour to submit the Report and Statement of Accounts for the year to 31.12.53.

(Sgd) J. C. W. Reith
H. N. Hume
H. E. C. Beaver
H. M. Gibson*
J. Hathorn Hall
Maurice Hutton
Macdonald of Gwaenysgor
G. Tyser

25 March 1954

* Mr. Gibson's sudden death—less than two days after attending the Board meeting at which this Report was signed—has cast a great sorrow on his colleagues.

Members

Lord Reith (*Chairman*)

H. N. Hume, CBE, MC (*Deputy Chairman*)

Sir Hugh E. C. Beaver, MInstCE, MIChemE

H. M. Gibson, JP

Sir John Hathorn Hall, GCMG, DSO, OBE, MC

Sir Maurice Hutton, CMG

Lord Macdonald of Gwaenysgor, PC, KCMG

G. Tyser

Professor W. A. Lewis retired on expiry of term on 30.4.53.

Mr. R. E. Brook retired on expiry of term on 31.10.53.

Mr. H. N. Hume was appointed Deputy Chairman in succession to Mr. Brook on 1.11.53.

Sir Maurice Hutton was appointed on 19.5.53.

Executive Chief Officers

General Manager	W. Rendell, ACA

Head Office Controllers

Administration	A. E. Porter, CSI, CIE
Finance	H. L. Pryce, ACA
Operations A ... ... (Agriculture, animal products, fisheries, forestry)	P. L. Yates
Operations B ... ... (Factories, hotels, minerals)	H. A. Cochran, OBE, MIMinE, MInstMM

Regional Controllers

Caribbean...	A. C. Grieve
Far East	A. R. Pratt
East Africa	R. E. Norton, CMG, OBE
Central Africa	D. L. Anderson, CBE, TD, MInstCE
West Africa	G. E. Mercer

Regions

Caribbean... ...	British Honduras, British Guiana, all British West Indies Islands, the Bahamas and the Falkland Islands; headquarters Kingston, Jamaica;
Far East	British North Borneo, Brunei, Sarawak, Singapore and the Federation of Malaya, Hong Kong, Fiji and the Western Pacific Islands; headquarters Singapore;
East Africa ...	Kenya, Uganda, Tanganyika, Seychelles, Mauritius, Zanzibar; headquarters Nairobi;
Central Africa and High Commission Territories	Nyasaland, Northern Rhodesia, Bechuanaland, Swaziland, Basutoland, Tristan da Cunha; headquarters Salisbury, Southern Rhodesia;
West Africa ...	Nigeria (including the Cameroons), Gold Coast (including Togoland), The Gambia, Sierra Leone; headquarters Lagos.

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COLONIAL DEVELOPMENT CORPORATION

ANNUAL REPORT 1953

I GENERAL REVIEW

Report and Accounts are for year to 31.12.53; later information included where appropriate.

1 Number of projects

(1) Five new projects:

British Honduras Fruit Co Ltd (citrus)
Jamaica Public Service Co Ltd
Kenya Housing Loan
Kilembe Mines Ltd
Potaro Hydro-electric Co

seven abandoned:

Castle Bruce Estate—March 1949*
Grand Cayman Cannery—January 1950
Niger Agricultural Project Ltd—March 1949
Nigerian Fibre Industries—May 1950
Tanganyika Roadways Ltd—February 1950
West African Fisheries—April 1949
Works depots, Belize, Kano and Nkata Bay—October 1949

two completed or disposed of:

Castries Reconstruction Agency—October 1948
Lake Victoria Hotel Ltd—February 1950

three investigations terminated:

East African Ramie Investigation—January 1951
Kenya Fish Farms—March 1952
Vitingini Lead Investigation—March 1952.

(2) Some old projects have been merged or divided to conform with operational developments; there are 50 continuing projects and investigations.

* Date of Corporation approval of project.

2 Projects by regions and territories

Here are the projects, grouped regionally and by territories, with capital sanctioned for each; investigations with over £5,000 spent are included; abandoned projects and those of which assets are held only for disposal are excluded.

Region and Territory	Project	Capital sanctioned for	
		Project £000's	Region and Territory £000's
Caribbean			**7,901**
British Guiana ...	British Guiana Consolidated Goldfields Ltd	762	
	British Guiana Rice Development Co Ltd	1,292	
	British Guiana Timbers Ltd	1,962	
	Potaro Hydro-electric Co	285	4,301
British Honduras ...	Barton Ramie Estate	347	
	British Honduras Fruit Co Ltd (citrus)	40	
	Cramer Estates	59	
	Fort George Hotel	276	722
Dominica	Melville Hall Estate	80	
	Dominica Hydro-electric and Cold Store	205	285
Jamaica	Cayman Islands Airport	60	
	Jamaica Citrus Growers Ltd	110	
	Jamaica Cooling Store	138	
	Jamaica Public Service Co Ltd	300	
	Turks Islands Salt Co Ltd	60	668
St. Vincent	St Vincent Hydro-electric and Cold Store	200	200
Trinidad	Trinidad Cement Ltd	1,200	1,200
Falkland Islands ...	Falkland Islands Freezer Co Ltd	525	525
Far East			**15,026**
Singapore and the Federation of Malaya	Central Electricity Board	7,166	
	Federal and Colonial Building Society Ltd	3,500	
	Kulai Oil Palm Estate	747	
	*Malayan Cocoa Ltd	33	
	Singapore Factory Development	175	11,621
North Borneo ...	Borneo Abaca Ltd	3,405	3,405
East Africa			**7,499**
Kenya	East Africa Industries Ltd	500	
	Kenya Housing Loan	2,000	
	Macalder-Nyanza Mines Ltd	1,700	4,200
Tanganyika	*Murongo Mines Investigation	260	
	*Tanganyika Coal Investigation	} 500	
	*Tanganyika Iron (Liganga) Investigation		
	Tanganyika Wattle Estates	664	
	*Tangold Mining Co Ltd	125	1,549
Uganda	Kilembe Mines Ltd	1,750	1,750
Central Africa			**10,478**
Bechuanaland ...	Bechuanaland Cattle Ranch	1,229	
	Lobatsi Abattoir	966	
	Molopo Ranch	746	2,941
N Rhodesia	Chilanga Cement Ltd	1,500	1,500
Nyasaland	Kasungu Tobacco Estates	193	
	*Nyika Forestry Development Syndicate	8	
	Vipya Tung Estates	1,559	1,760
Swaziland	Swaziland Irrigation Scheme	2,608	
	Ubombo Ranches (Pty) Ltd	85	
	Usutu Forests	1,444	4,137
All three High Commission Territories	High Commission Printing & Publishing Co Ltd ...	10	10
Tristan da Cunha ...	Tristan da Cunha Development Co Ltd	130	130
West Africa			**2,608**
The Gambia	*Yunduin Farm	31	31
Gold Coast	Road contract	385	385
Nigeria	Lagos Executive Development Board	1,250	
	Omo Sawmills of Nigeria Ltd	194	
	Road contracts (with service depots)	748	2,192
	Total		**43,512**

* Investigations

3 Capital distribution

(1) Here is the functional distribution, showing capital sanctioned and capital employed :

(1)	(2)		(3)				(4)			
Category	Number		Capital sanctioned				Capital employed			
			1952		1953		1952		1953	
	1952	1953	£000's	%	£000's	%	£000's	%	£000's	%
Agriculture	15	13	10,328	26·2	10,530	24·2	5,475	23·9	6,085	24·0
Animal Products	4	4	2,664	6·8	3,466	8·0	1,869	8·2	1,948	7·7
Factories	7	5	4,442	11·3	3,348	7·7	2,179	9·5	2,570	10·1
Fisheries	3	1	470	1·2	130	0·3	374	1·6	131	0·5
Forestry	5	5	3,988	10·1	4,272	9·8	3,076	13·4	3,505	13·8
Hotels	2	1	396	1·0	276	0·6	352	1·5	116	0·5
Minerals	8	8	3,317	8·4	5,157	11·8	2,094	9·2	2,556	10·1
Property and Housing	7	5	4,462	11·3	6,984	16·1	2,829	12·4	2,426	9·6
Public Utilities and Works ...	6	8	9,333	23·7	9,349	21·5	4,637	20·3	6,012	23·7
Total	57	50	39,400	100·0	43,512	100·0	22,885	100·0	25,349	100·0

Above excludes figures for abandoned projects.

(2) Capital sanctioned increased from £39,400,000 in 1952 to £43,512,000 in 1953; it was mainly for productive projects, of which Agriculture, Animal Products, Forestry and Minerals are 54% of total (52% last year).

(3) Capital employed was £25,349,000 compared with £22,885,000 last year; share of Agriculture, Animal Products, Forestry and Minerals increased to 56% of total (55% last year).

(4) (*a*) Several agricultural/forestry projects now in early phases of development will eventually need large expenditures to bring them to completion (eg £10 to £15 million for Usutu Forests); but nothing is included on this score pending approved plans;

(*b*) amount required of Corporation will be reduced by participations by other parties.

4 Projects as revenue earners

(1) Pioneer projects should pass through phases of investigation, pilot scheme, pure development, initial trading before becoming fully operational.

(2) In first three there will not normally be any appreciable revenue; in fourth losses are to be expected; only in final stage should there be satisfactory net revenue.

(3) Projects are thus analysed below; transition point between phases sometimes hard to define; particularly so when an existing undertaking is salvaged and re-equipped.

	Investigations and pilot schemes	Development	Initial trading
	Malayan Cocoa Ltd	British Honduras Fruit Co Ltd (citrus)	Borneo Abaca Ltd (hemp, rubber)
	Murongo Mines	Kilembe Mines Ltd (copper, cobalt)	British Guiana Consolidated Goldfields Ltd
	Nyika Forestry Development	Lobatsi Abattoir	British Guiana Timbers Ltd
	Tanganyika Coalfields	Macalder-Nyanza Mines Ltd (copper, gold, silver)	Dominica Hydro-electric and Cold Store
	Tanganyika Iron (Liganga)	Potaro Hydro-electric Co	Falkland Islands Freezer Co Ltd (mutton)
	Tangold Mining Co Ltd	Tanganyika Wattle Estates	Fort George Hotel
		Trinidad Cement Ltd	St Vincent Hydro-electric and Cold Store
		Usutu Forests	Swaziland Irrigation Scheme (rice)
			Usutu Orchards (mixed crops)
Capital ...	£ 800,000	£ 4,400,000	£ 7,000,000
Revenue ...	Nil	Nil	280,000 loss

(4) There is a column also for projects retrenched or reorganised; these are jobs started more or less full scale, with insufficient experimental and preliminary work or none, which are now cut back to investigation scale or otherwise recast. And, for completeness, a column for loans.

(5) Below each group is shown Corporation capital employed (nearest £100,000) and share of net profit or loss for year (nearest £10,000).

5 Association

(1) There is local government or private enterprise participation or private enterprise management in nine more projects (East Africa Industries Ltd, Federal & Colonial Building Society Ltd, Falkland Islands Freezer Co Ltd, Macalder-Nyanza Mines Ltd, road works in Gold Coast and Nigeria, Tanganyika Coalfields Ltd, Liganga Iron Ltd, Tangold Mining Co Ltd).

(2) Local association is increasingly important.

Fully operational	Retrenched/Reorganised projects	Loans
Chilanga Cement Ltd	Barton Ramie Estate	British Guiana Rice Development Co Ltd
Cramer Estates	Bechuanaland Cattle Ranch	Cayman Islands Airport
East Africa Industries Ltd (vegetable oil products)	Kasungu Tobacco Estate	Central Electricity Board, Malaya
Federal & Colonial Building Society Ltd	Molopo Ranch	High Commission Printing & Publishing Co Ltd
Jamaica Cooling Store	Vipya Tung Estates	Jamaica Citrus Growers Ltd.
Kulai Oil Palm Estate	Works (West Africa road contracts)	Jamaica Public Service Co Ltd
Melville Hall Estate (bananas, copra)		Kenya Housing Loan
Omo Sawmills of Nigeria Ltd		Lagos Executive Development Board
Singapore Factory Development		Turks Islands Salt Co Ltd
Tristan da Cunha Development Co Ltd (crawfish)		Ubombo Ranches (Pty) Ltd
£ 3,500,000 280,000 profit	£ 2,500,000 480,000 loss	£ 7,100,000 240,000 profit

(3) Of the 50 continuing projects Corporation is directly and solely responsible for 16 only; in five of these it is negotiating for association.

(4) Results of private enterprise participation and management are still uneven.

6 Write-offs

(1) On 30.7.53 Government announced intention to introduce legislation to permit writing-off capital losses on abandoned schemes; and in due course Corporation notified losses on projects begun before 31.12.50 and abandoned wholly or partially at 31.12.53.

(2) Its provisional claim on this basis alone is over £6 million; to include jobs hopelessly over-capitalised would bring figure to about £8 million; and this would not cover losses on pre 31.12.50 projects perhaps still to emerge.

(3) Corporation may prefer to deal with the matter by transferring such losses from its Profit and Loss Account to a special account rather than have partial relief—as is suggested—likely to be mistaken for full.

7 Selection policy

(1) Government stated in Parliament (30.7.53) that primary duty and principal purpose of Corporation were unchanged.

(2) But new projects must continue on stringent analysis to show likelihood of being financially self-supporting at least; to permit of commercial association and, wherever possible, of association with local governments direct or indirect.

(3) A substantial part of recent investment is in government guaranteed loans; this ensures welcome contribution to overheads; but, if Corporation is to fulfil its real function, most of the money deployed should surely continue to be risk capital.

(4) Particular attention is being paid to increasing agricultural production; Regional Controllers are in consultation with governments in territories where the need seems greatest and possibilities most promising.

(5) Maximum flexibility is desirable; some rational balance but no fixed proportions of investment, functional or geographical; no arbitrary inclusions or exclusions.

(6) Corporation is ready to consider withdrawal from established projects when its work is done, subject to interests of region not being prejudiced and purchase terms being satisfactory.

8 Summary and prospect

(1) Report shows that much time and effort, even in 1953, had still to be spent in scrapping, buttressing and otherwise modifying; it shows what has been done in these respects.

(2) Corporation has also suffered from continued fall in world prices of raw materials it produces, notably rubber.

(3) Corporation is particularly charged to expand production of foodstuffs and raw materials in colonial territories; a fall in world prices may be a fair hazard; not so foreign competition in Commonwealth markets on other than normal commercial terms—if that were to come.

(4) Terrorism in Malaya and Kenya with danger as well as inconvenience to local staff, and the political situation in British Guiana, did not make for settled economic conditions.

(5) (*a*) Accounts do not yet show full effects of all corrective measures taken in recent years;

(*b*) nor is process of disentanglement and reorganisation complete;

(*c*) but Corporation was not to be panicked into fuller or quicker re-action than was considered prudent just because too much was attempted too quickly in early years.

(6) There are many new proposals under review; the more that can be approved as sound development ventures, the more satisfaction to Corporation.

(7) The road ahead—direction and objectives—is clear; Corporation should be able to accomplish the purpose for which it was established.

II ADMINISTRATION

9 Organisation

(1) (*a*) As in most "nationalised industries" corporations, chairman appointment was "full-time" (variously interpreted) and for five years —posts of chairman and chief executive combined;

(*b*) quinquennial change of chairman may not matter, may be salutary; quinquennial change of chief executive by external authority, or possibility thereof, very harmful;

(*c*) in Corporation interest, present chairman, with colleagues' approval, asked and received Secretary of State's sanction for separation of these posts;

(*d*) from 1.10.53 chairman is "part-time". And there is a general manager;

(*e*) as from 1.11.53 deputy-chairman office ceased to have executive responsibilities.

(2) Board, Board Commercial Committee, Executive Management Board and Regional Controllers have functioned as before; devolution of responsibility on Regional Controllers and functional division of responsibility at Head Office work with increasing ease and efficiency.

(3) (*a*) United Kingdom staff was further reduced to 183 (1952—248); unlikely to go much lower if scale of operations is as now;

(*b*) regional offices staff was 106 (1952—114).

10 Administration costs

(1) Further substantial reduction in Head Office administration costs and some reduction overseas:

	Head Office £	*Overseas* £	*Total* £
1951	339,510	145,037	484,547
1952	297,648	159,994	457,642
1953	247,418	144,831	392,249

(2) As shown in Consolidated Profit and Loss Account part of administrative expenditure is charged to projects and development:

	1952 £	1953 £
Projects (including abandoned)	122,908	126,276
Development etc.	60,498	46,929
Buildings and other assets	32,694	8,877

11 Labour supply and relations

(1) Numbers under direct management decrease as participation and management by private enterprise partners increases.

(2) (*a*) On projects directly managed numbers of locally recruited workers were adequate, though in Africa particularly turnover is high; there is little tradition of steady and regular employment anywhere;

(*b*) most projects report local labour fairly efficient, but in some areas standard is low, due mainly to poor physique, malnutrition, debilitating diseases and lack of education;

(*c*) improvement usually follows on better arrangements for rations, housing and health services.

(3) Training is given to mechanics where there are workshops; to carpenters and builders where there is considerable construction work; to tractor drivers on most agricultural jobs.

(4) (*a*) Labour relations have been generally easy; no serious disputes;

(*b*) in most areas there are no trades unions; workers' consultative committees have been set up on ten projects.

12 Agricultural research

(1) In March 1953 a panel of eminent agricultural scientists (with a non-agricultural scientist, Sir Charles Darwin, as chairman) was set up in London and has already been of great help; members are consulted individually and collectively as circumstances require; Corporation is grateful to them; their advice often supplements that given by local agricultural departments from which Corporation has benefited in past.

(2) Corporation's experiences and problems are thus known to those who allocate Colonial Development & Welfare funds for agricultural research; and may be an indication of priorities in this field.

III FINANCIAL REPORT

13 Accounts for 1953

Accounts and supporting statements for year to 31.12.53 are:

Statement	1	Balance Sheet
	2	Consolidated Balance Sheet
	3	Balance Sheet notes
	4	Consolidated Profit and Loss Account of Corporation and subsidiaries
	5	Details of projects supporting Consolidated Profit and Loss Account
	6	Details of assets and liabilities of continuing projects
	7	Investments at cost

14 Balance Sheet and Consolidated Balance Sheet

(1) As far as possible provisions have been used to write down book value of relative investments or assets; last year assets and provisions were shown gross pending better assessment.

(2) In Consolidated Balance Sheet excess book value of investments in subsidiary companies has been reduced from £480,373 to £17,795 by writing off the singular premium paid for Borneo Abaca Ltd shares (£446,738) and other adjustments.

(3) Note (7) on statement 3 sets out losses written off in accounts for projects which should, in Corporation opinion, be eligible for restricted concession mentioned in paragraph 6.

15 Consolidated Profit and Loss Account

(1) Net operating losses of continuing projects were £148,247 (£551,474 in 1952); difference of £87,273 between latter figure and £638,747 shown in 1952 accounts is trading losses on abandoned projects included lower down; 1953 figure includes £70,000 provision against future losses on road contracts in West Africa.

(2) Operating results are analysed in paragraph 4.

(3) In aggregate, provisions made earlier for losses on abandoned projects have proved adequate: hence credit of £2,502; further provision of £627,507 for capital losses on continued projects is largely explained in paragraph 14 (2) above.

(4) Benefits of economies and reorganisations will not be fully seen till 1954 or even later.

31.12.52		£	£
£			
	CAPITAL LIABILITY TO COLONIAL OFFICE		
25,004,000	Long-term advances	28,224,500	
3,775,000	Medium-term advances	6,059,200	
360,000	Short-term advances	550,000	
			34,833,700
29,139,000			
	CURRENT LIABILITIES		
938,600	Creditors and accrued charges	1,027,075	
642,833	Bank loan	951,420	
			1,978,495
	PROVISIONS		
	Losses on abandoned projects including		
1,335,232	subsidiaries	—	
	Continuing projects including subsidiaries:		
1,828,587	Specific provisions	758,677	
1,375,000	General provisions	850,000	
			1,608,677
	Relevant notes in statement 3 form part of this Balance Sheet.		
	(Signed) J. C. W. Reith G. Tyser		
£35,259,252			£38,420,872

Report to the Colonial Development Corporation by the Auditors appointed under Section 16 (3)

We have audited the above Balance Sheet and have obtained all the information and
So far as appears from our examination, proper books of account have been kept by the
In our opinion and to the best of our information and according to the explanations
on statement 3 applicable thereto a true and fair view of the state of the Corporation's affairs
We have examined the annexed Consolidated Balance Sheet (statement 2) and the
Corporation and its subsidiary companies, certain of which have not been audited by us.
applicable thereto have been properly prepared so as to give a true and fair view of the state
Corporation and also of the subsidiary companies so far as concerns the Corporation.

11 Ironmonger Lane London E.C.2.
25th March 1954

31.12.52		Cost less sales	Depreciation and amounts written off	
£		£	£	£
	FIXED ASSETS			
4,818,658	Freehold and leasehold land, plantations, concessions and buildings	4,044,081	507,218	3,536,863
990,011	Plant and machinery	828,283	109,133	719,150
355,498	Contracting plant	337,078	137,233	199,845
120,407	Ships and vessels	1,792	981	811
419,407	Land clearance equipment, tractors and agricultural equipment	428,794	222,545	206,249
277,151	Motor vehicles and rolling stock	438,847	240,645	198,202
205,399	Furniture, fixtures, office and hotel equipment	247,907	74,797	173,110
—	Progress payments on fixed assets	54,602	—	54,602
7,186,531		6,381,384	1,292,552	5,088,832
—	FIXED ASSETS OF ABANDONED PROJECTS at estimated realisable values			406,852
429,855	FORESTRY CROPS AT COST			618,187
	EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE EXPENDITURE CARRIED FORWARD AT COST LESS AMOUNTS WRITTEN OFF:			
112,758	Land clearance		155,922	
573,430	Mining investigations and development ...		612,334	
1,039,827	General development, surveys and revenue expenditure carried forward		733,406	
6,408	Investigation syndicates		8,000	
				1,509,662
	INVESTMENTS AT COST			
424,005	Shares in associated companies		1,466,005	
5,130,074	Debentures and secured loans		7,709,998	
				9,176,003
	SUBSIDIARY COMPANIES			
4,712,742	Investments at cost less amounts written off...		5,606,978	
4,567,347	Advances less amounts written off		3,385,988	
				8,992,966
24,182,977				25,792,502
	CURRENT ASSETS			
1,711,849	Stocks, stores and livestock at cost or market value whichever is lower or at valuation ...		1,475,201	
139,900	Growing crops at cost		131,694	
43,740	Work in progress at cost		16,970	
419,592	Debtors and prepayments less provisions ...		734,124	
357,334	Cash at banks and in hand		587,462	
				2,945,451
	PROFIT AND LOSS ACCOUNT			
	Balance at 1.1.53		8,403,860	
8,403,860	Amount transferred from Profit and Loss Account (statement 4)		1,279,059	
				9,682,919
£35,259,252				£38,420,872

of the Overseas Resources Development Act, 1948, by the Secretary of State for the Colonies

explanations which to the best of our knowledge and belief were necessary for that purpose.
Corporation and adequate returns have been received from overseas offices.
given to us, the said Balance Sheet, which is in agreement with the books, gives with the notes as at 31st December 1953.
Consolidated Profit and Loss Account (statement 4) with the audited accounts of the
In our opinion such Balance Sheet and Profit and Loss Account with the notes on statement 3 of affairs as at 31st December 1953 and of the loss for the year ended on that date of the

(Signed) PEAT, MARWICK, MITCHELL & Co
Chartered Accountants
Auditors

CONSOLIDATED BALANCE SHEET OF THE CORPORATION

31.12.52			£
£			
	CAPITAL LIABILITY		
29,139,000	Advances from Colonial Office		34,833,700
	INTEREST OF MINORITY SHAREHOLDERS IN SUBSIDIARY		
915,651	COMPANIES OVERSEAS		764,108
	CURRENT LIABILITIES	£	
1,424,134	Creditors and accrued charges	1,662,469	
650,635	Bank loan and overdraft	960,497	
			2,622,966
	PROVISIONS		
1,335,232	Losses on abandoned projects...	—	
	Continuing projects—		
1,255,000	Specific provisions	455,794	
1,375,000	General provisions	850,000	
			1,305,794
	Relevant notes in statement 3 form part of this Balance Sheet.		
£36,094,652			£39,526,568

AND SUBSIDIARY COMPANIES AT 31.12.53.

31.12.52		Cost, net book value at date of acquisition of shares or valuation, less sales.	Depreciation and amounts written off.	
£		£	£	£
	FIXED ASSETS			
7,706,123	Freehold and leasehold land, plantations, concessions and buildings	7,044,461	921,206	6,123,255
2,136,880	Plant and machinery	2,474,919	424,578	2,050,341
355,498	Contracting plant	337,078	137,233	199,845
278,536	Ships and vessels	235,379	63,131	172,248
572,968	Land clearance equipment, tractors and agricultural equipment	585,276	304,716	280,560
481,479	Motor vehicles and rolling stock	647,376	317,650	329,726
302,817	Furniture, fixtures, office and hotel equipment	342,359	102,648	239,711
—	Progress payments on fixed assets	460,939	—	460,939
11,834,301		12,127,787	2,271,162	9,856,625
—	FIXED ASSETS OF ABANDONED PROJECTS at estimated realisable values			489,041
429,855	FORESTRY CROPS AT COST			618,187
	EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE EXPENDITURE CARRIED FORWARD AT COST LESS AMOUNTS WRITTEN OFF			
277,153	Land clearance		169,082	
1,018,319	Mining investigations and development ...		1,248,627	
1,438,567	General development, surveys and revenue expenditure carried forward		1,106,971	
6,408	Investigation syndicates		8,000	
				2,532,680
	INVESTMENTS AT COST (statement 7)			
130,000	Shares in and advances to subsidiary companies not consolidated		409,011	
429,005	Shares in associated companies		1,476,005	
5,244,127	Debentures and secured loans		7,799,971	
1,477,625	Building Society advances on mortgage ...		1,929,296	
				11,614,283
22,285,360				25,110,816
	CURRENT ASSETS			
3,182,415	Stocks, stores and livestock at cost or market value whichever is lower or at valuation ...		2,590,270	
144,702	Growing crops at cost		142,194	
47,374	Work in progress at cost		16,970	
889,840	Debtors and prepayments less provisions ...		1,202,479	
637,694	Cash at banks and in hand		747,805	
				4,699,718
27,087	PRELIMINARY EXPENSES OF SUBSIDIARY COMPANIES			15,320
27,214,472				29,825,854
480,373	EXCESS OF COST OF INVESTMENTS IN SUBSIDIARY COMPANIES over net tangible assets attributable thereto at date of acquisition less amounts written off			17,795
	PROFIT AND LOSS ACCOUNT			
	Balance at 1.1.53		8,399,807	
	Less amount attributable to companies which are no longer subsidiaries ...		20,549	
			8,379,258	
8,399,807	Amount transferred from Profit and Loss Account (statement 4)		1,303,661	
				9,682,919
£36,094,652				£39,526,568

NOTES FORMING PART OF THE ACCOUNTS

(1) Maximum borrowing powers are:

(*a*) £100 million and

(*b*) £10 million temporarily by way of overdraft or otherwise.

(2) Assets and liabilities in colonial and foreign currencies have been converted at rates ruling at 31.12.53.

(3) Corporation has contractual commitments for capital expenditure of £182,000 (for group £639,000) and for debentures and partly paid shares of £5,440,000 (for group £5,700,000).

(4) " Freehold and leasehold land, plantations, concessions and buildings " includes expenditure on land, conveyance of which has not yet been completed.

(5) Due to communication delays accounts of Tristan da Cunha Development Co Ltd and Falkland Islands Freezer Co Ltd have not been consolidated.

(6) Long-term advances made during each year ending 31st March are treated as a single advance made on that date and are repayable by annuities for 33 years beginning at end of seven years. Particulars of advances made to 31.12.53 and rates of interest applicable thereto for period of 40 years are:

Period of Annuity	*Rate*	£
1.4.55—31.3.88	3%	25,000
1.4.56—31.3.89	3%	925,000
1.4.57—31.3.90	3%	2,185,000
1.4.57—31.3.90	3½%	1,100,000
1.4.58—31.3.91	3½%	7,835,000
1.4.59—31.3.92	3½%	4,793,000
1.4.59—31.3.92	3¾%	2,850,000
1.4.59—31.3.92	4¼%	550,000
1.4.60—31.3.93	4¼%	5,346,000
1.4.61—31.3.94	4¼%	1,980,500
1.4.61—31.3.94	4%	635,000
		£28,224,500

No provision has been made in Profit and Loss Account for long-term interest at 31.12.53.

(7) Cumulative loss of £9,682,919 shown in Consolidated Balance Sheet is made up:

	£
Losses on abandoned projects	4,859,552
Losses on abandoned assets and activities of continuing projects	506,889
Amounts written off at 31.12.53 investment in subsidiaries and assets of continuing projects	796,328
	£6,162,769
Balance including provisions carried forward at 31.12.53 on continuing projects	3,520,150
	£9,682,919

STATEMENT 4

CONSOLIDATED PROFIT AND LOSS ACCOUNT OF CORPORATION AND SUBSIDIARIES—YEAR TO 31.12.53

Year to 31.12.52		£	£
£			
551,474	NET LOSS ON OPERATION OF CONTINUING PROJECTS (including £70,000 provision in respect of uncompleted contracts) (per statement 5)		148,247
—	PROVISION FOR TRADING LOSS OF SUBSIDIARY NOT CONSOLIDATED		34,000
54,816	INVESTIGATION EXPENDITURE ON PROJECTS NOT FOLLOWED UP		40,327
	ADMINISTRATIVE EXPENDITURE		
297,648	Head Office (including depreciation £12,084) ...	247,418	
159,994	Overseas offices (including depreciation £13,582)	144,831	
457,642		392,249	
23,666	*Less:* Discounts, rebates and sundry income ...	39,435	
433,976	*Less:* Allocated to:	352,814	
	Projects (per statement 5)... ... 65,133		
	Expenditure on development, etc. 46,929		
	Buildings and other assets ... 8,877		
	Abandoned projects 61,143		
216,100		182,082	
217,876			170,732
	REMUNERATION OF MEMBERS		
3,611	Fees and expenses	3,111	
8,500	Salaries	6,917	
			10,028
836,277			403,334
	INTEREST PAYABLE TO COLONIAL OFFICE on medium		
138,889	and short-term advances		170,340
34,652	COLONIAL INCOME TAX		70,679
1,009,818			644,353
3,558	PRELIMINARY EXPENSES written off	2,642	
59,229	SUNDRY CAPITAL LOSSES less profits	2,811	
880,000	PROVISION FOR LOSS on continuing projects ...	627,507	
1,952,605		632,960	
	Less: Excess of provision at 31.12.52 (£2,018,705) over realisation losses on abandoned projects, including trading losses, during		
(Dr.) 1,862,922	year (£2,016,203)	2,502	
			630,458
	CONSOLIDATED LOSS ATTRIBUTABLE TO CORPORATION AND SUBSIDIARIES		
3,815,527			1,274,811
	Add: Profits less losses attributable to the interests		
Loss 10,319	of minority shareholders		28,850
3,805,208	CONSOLIDATED LOSS ATTRIBUTABLE TO CORPORATION (statement 2)		1,303,661
	Deduct: Corporation share of losses less profits carried forward in the accounts of subsidiaries	376,675	
	Add: Provisions made by Corporation for losses of subsidiaries	352,073	
—			24,602
£3,805,208	LOSS OF CORPORATION FOR THE YEAR, CARRIED TO BALANCE SHEET (statement 1)		£1,279,059

DETAILS OF PROJECTS SUPPORTING CONSOLIDATED PROFIT AND LOST ACCOUNT—YEAR TO 31.12.53

	Profit or Loss before charging Depreciation or Head Office or Regional Office expenses		Depreciation and Amortisation	Profit or Loss before charging Head Office and Regional Office expenses		Head Office and Regional Office charges	Net trading	
	Profit	Loss		Profit	Loss		Profit	Loss
DIRECT PROJECTS AND SUBSIDIARY COMPANIES	£	£	£	£	£	£	£	£
British Guiana Timbers Ltd	—	26,625	43,717	—	70,342	2,239	—	72,581
Barton Ramie Estate	—	22,899	8,554	—	31,453	1,350	—	32,803
Cramer Estates	271	—	276	—	5	833	—	838
Fort George Hotel	645	—	3,849	—	3,204	1,418	—	4,622
Melville Hall Estate	10,361	—	2,654	7,707	—	1,218	6,489	—
Dominica Hydro-electric & Cold Store	539	—	4,297	—	3,758	1,440	—	5,198
Jamaica Cooling Store	6,902	—	4,863	2,039	—	1,370	669	—
Castries Reconstruction Agency	10,732	—	—	10,732	—	—	10,732	—
St Vincent Hydro-electric & Cold Store	3,700	—	4,919	—	1,219	1,206	—	2,425
Federal & Colonial Building Society Ltd	97,984	—	1,035	96,949	—	6,233	90,716	—
Kulai Oil Palm Estate	10,916	—	4,997	5,919	—	1,020	4,899	—
Singapore Factory Development	17,932	—	—	17,932	—	1,250	16,682	—
Borneo Abaca Ltd	—	41,241	104,774	—	146,015	12,083	—	158,098
Bechuanaland Cattle Ranch	—	59,203	37,766	—	96,969	5,791	—	102,760
Molopo Ranch	—	34,193	9,025	—	43,218	2,537	—	45,755
Chilanga Cement Ltd	335,592	—	99,279	236,313	—	6,856	229,457	—
Kasungu Tobacco Estate	—	12,006	9,682	—	21,688	3,089	—	24,777
Swaziland Irrigation Scheme	36,159	—	64,471	—	28,312	5,051	—	33,363
Usutu Orchards	—	5,835	807	—	6,642	—	—	6,642
Omo Sawmills of Nigeria Ltd	—	1,405	20,087	—	21,492	1,371	—	22,863
Works—Gold Coast road	—	66,558	36,712	—	103,270	2,252	—	105,522
Nigerian roads	—	102,410	59,986	—	162,396	6,526	—	168,922
	531,733	372,375	521,750	377,591	739,983	65,133	359,644	787,169
	Surplus £159,358			Deficit £362,392			Net loss £427,525	

INVESTMENT INCOME

British Guiana Consolidated Goldfields Ltd	33,109	
British Guiana Rice Development Co Ltd	10,035	
Jamaica Citrus Growers Ltd	4,765	
Central Electricity Board, Malaya	161,410	
Lagos Executive Development Board	56,250	
Sundry	13,709	
		279,278
NET LOSS ON OPERATION OF CONTINUING PROJECTS (statement 4)		£148,247

DETAILS OF ASSETS AND LIABILITIES

	Head Office and overseas offices	British Guiana Timbers Ltd.	Barton Ramie Estate
	£	£	£
FIXED ASSETS			
Freehold and leasehold land, plantations, concessions and buildings	308,000	721,322	23,498
Plant and machinery	51,742	394,699	12,870
Contracting plant	—	—	—
Ships and vessels	—	206,434	1,739
Land clearance equipment, tractors and agricultural equipment	2,000	78,918	27,403
Motor vehicles and rolling stock	26,507	51,391	4,513
Furniture, fixtures, office and hotel equipment	84,511	17,653	2,172
Progress payments on fixed assets	—	—	—
	472,760	1,470,417	72,195
Less DEPRECIATION			
Freehold and leasehold land, plantations, concessions and buildings	22,452	26,220	2,506
Plant and machinery	3,471	25,255	2,240
Contracting plant	—	—	—
Ships and vessels	—	23,327	981
Land clearance equipment, tractors and agricultural equipment	—	33,039	13,522
Motor vehicles and rolling stock	7,342	17,192	2,248
Furniture, fixtures, office and hotel equipment	32,530	3,820	583
	65,795	128,853	22,080
NET BOOK VALUE OF FIXED ASSETS	406,965	1,341,564	50,115
FORESTRY CROPS	—	—	—
LAND CLEARANCE	—	—	30,598
MINING INVESTIGATIONS AND DEVELOPMENT	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	56,808	109,024	—
INVESTIGATION SYNDICATES	8,000	—	—
INVESTMENTS			
Shares in and advances to subsidiary companies not consolidated	409,011	—	—
Shares in associated companies	1,465,953	10,000	—
Debentures and secured loans	7,587,403	—	—
Building Society advances on mortgage	—	—	—
CURRENT ASSETS			
Stocks, stores and livestock	200,575	334,157	2,851
Growing crops	—	—	42,383
Work in progress	—	—	—
Debtors and prepayments less provisions	292,934	65,275	1,564
Cash at banks and in hand	328,117	3,152	216
PRELIMINARY EXPENSES of subsidiary companies	—	10,151	—
TOTAL ASSETS	10,755,766	1,873,323	127,727
INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas	—	74,827	—
CREDITORS AND ACCRUED CHARGES	410,596	86,380	3,777
BANK LOAN AND OVERDRAFT	951,420	—	—

OF CONTINUING PROJECTS

British Honduras Fruit Co. Ltd. (citrus)	Cramer Estates	Fort George Hotel	Melville Hall Estate	Dominica Hydro-electric and Cold Store	Jamaica Cooling Store
£	£	£	£	£	£
36,318	39,495	225,000	23,641	102,876	89,989
500	—	—	—	70,815	29,232
—	—	—	—	—	—
—	53	—	—	—	—
1,697	—	—	586	—	—
25	750	1,080	4,420	2,482	4,077
1,900	462	13,233	669	4,142	1,928
—	—	—	—	—	—
40,440	40,760	239,313	29,316	180,315	125,226
358	65	135,729	1,278	4,069	5,908
34	—	—	—	6,695	4,491
—	—	—	—	—	—
—	—	—	—	—	—
208	—	—	150	—	—
8	704	473	3,004	1,959	1,597
158	182	1,629	345	1,747	856
766	951	137,831	4,777	14,470	12,852
39,674	39,809	101,482	24,539	165,845	112,374
—	—	—	—	—	—
—	—	—	6,394	—	—
—	—	—	—	—	—
—	—	—	—	9,006	6,724
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
2,678	26	10,577	2,215	12,507	1,715
—	—	—	6,344	—	—
—	—	—	—	—	—
102	1,091	1,071	908	1,373	4,633
420	3,462	4,577	5,304	2,939	3,649
—	—	—	—	—	—
42,874	44,388	117,707	45,704	191,670	129,095
—	—	—	—	—	—
1,551	653	2,093	694	2,781	533
—	—	—	—	—	—

DETAILS OF ASSETS AND LIABILITIES

	St. Vincent Hydro-electric and Cold Store	Federal and Colonial Building Society Ltd.	Kulai Oil Palm Estate
	£	£	£
FIXED ASSETS			
Freehold and leasehold land, plantations, concessions and buildings	80,393	20,042	324,560
Plant and machinery	81,474	—	31,508
Contracting plant	—	—	—
Ships and vessels	—	—	—
Land clearance equipment, tractors and agricultural equipment	—	—	—
Motor vehicles and rolling stock	2,705	647	3,394
Furniture, fixtures, office and hotel equipment	1,698	4,912	2,943
Progress payments on fixed assets	—	—	54,602
	166,270	25,601	417,007
Less DEPRECIATION			
Freehold and leasehold land, plantations, concessions and buildings	1,626	316	12,275
Plant and machinery	2,765	—	8,783
Contracting plant	—	—	—
Ships and vessels	—	—	—
Land clearance equipment, tractors and agricultural equipment	—	—	—
Motor vehicles and rolling stock	1,302	351	980
Furniture, fixtures, office and hotel equipment	342	2,816	828
	6,035	3,483	22,866
NET BOOK VALUE OF FIXED ASSETS	160,235	22,118	394,141
FORESTRY CROPS	—	—	—
LAND CLEARANCE	—	—	—
MINING INVESTIGATIONS AND DEVELOPMENT ...	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	4,316	—	35,225
INVESTIGATION SYNDICATES	—	—	—
INVESTMENTS			
Shares in and advances to subsidiary companies not consolidated	—	—	—
Shares in associated companies	—	—	40
Debentures and secured loans	—	89,973	—
Building Society advances on mortgage ...	—	1,929,296	—
CURRENT ASSETS			
Stocks, stores and livestock	17,309	—	12,371
Growing crops	—	—	—
Work in progress	—	—	—
Debtors and prepayments less provisions ...	1,544	5,478	6,727
Cash at banks and in hand	621	12,638	1,994
PRELIMINARY EXPENSES of subsidiary companies	—	—	—
TOTAL ASSETS	184,025	2,059,503	450,498
INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas	—	—	—
CREDITORS AND ACCRUED CHARGES	9,618	64,950	10,661
BANK LOAN AND OVERDRAFT	—	—	—

OF CONTINUING PROJECTS

Singapore Factory Development	Borneo Abaca Ltd.	Macalder-Nyanza Mines Ltd.	Murongo Mines Investigation	Tanganyika Coalfields and Iron Investigations	Tanganyika Wattle Estates
£	£	£	£	£	£
43,736	1,564,397	154,781	57,474	9,757	157,883
—	366,111	162,860	20,930	7,334	10,971
—	—	—	—	—	—
—	53,486	—	—	—	—
—	53,819	7,309	—	—	40,462
—	91,185	15,776	8,707	6,749	13,587
—	25,784	27,732	5,077	5,487	11,321
—	—	—	—	—	—
43,736	2,154,782	368,458	92,188	29,327	234,224
—	243,880	18,068	7,580	4,409	9,400
—	48,090	36,414	2,855	2,923	2,797
—	—	—	—	—	—
—	21,578	—	—	—	—
—	19,695	5,513	—	—	31,155
—	25,539	7,548	3,722	6,615	12,044
—	7,220	6,250	1,406	2,644	3,320
—	366,002	73,793	15,563	16,591	58,716
43,736	1,788,780	294,665	76,625	12,736	175,508
—	—	—	—	—	247,042
—	—	—	—	—	86,315
—	—	682,885	166,775	480,559	—
—	124,205	—	—	—	487
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
93,795	—	—	—	—	—
—	—	—	—	—	—
—	370,457	167,863	8,521	5,731	21,354
—	—	—	—	—	915
—	—	—	—	—	—
688	61,340	21,534	770	2,484	1,859
—	68,732	3,075	886	—	13,735
—	—	5,169	—	—	—
138,219	2,413,514	1,175,191	253,577	501,510	547,215
—	49,674	40,000	—	—	—
143	53,037	31,291	1,511	46,310	39,879
—	—	—	—	—	—

	Bechuanaland Cattle Ranch	Lobatsi Abattoir	Molopo Ranch	Chilanga Cement Ltd.
	£	£	£	£
FIXED ASSETS				
Freehold and leasehold land, plantations, concessions and buildings	189,138	253,904	92,721	658,405
Plant and machinery	43,060	303,718	24,670	704,019
Contracting plant	—	—	—	—
Ships and vessels	—	—	—	—
Land clearance equipment, tractors and agricultural equipment	101,036	—	4,608	—
Motor vehicles and rolling stock	44,867	2,027	11,048	35,245
Furniture, fixtures, office and hotel equipment	19,124	10,941	5,250	12,781
Progress payments on fixed assets	—	—	—	343,860
	397,225	570,590	138,297	1,754,310
Less DEPRECIATION				
Freehold and leasehold land, plantations, concessions and buildings	45,295	1,470	6,246	52,677
Plant and machinery	10,176	2,002	8,853	161,861
Contracting plant	—	—	—	—
Ships and vessels	—	—	—	—
Land clearance equipment, tractors and agricultural equipment	60,053	—	2,092	—
Motor vehicles and rolling stock	32,253	1,008	6,624	11,638
Furniture, fixtures, office and hotel equipment	7,167	1,321	721	2,960
	154,944	5,801	24,536	229,136
NET BOOK VALUE OF FIXED ASSETS	242,281	564,789	113,761	1,525,174
FORESTRY CROPS	—	—	—	—
LAND CLEARANCE	—	—	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	—	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	106,391	30,986	24,426	22,437
INVESTIGATION SYNDICATES ...	—	—	—	—
INVESTMENTS				
Shares in and advances to subsidiary companies not consolidated	—	—	—	—
Shares in associated companies	—	—	—	—
Debentures and secured loans ...	—	—	—	—
Building Society advances on mortgage	—	—	—	—
CURRENT ASSETS				
Stocks, stores and livestock ...	225,922	26,412	275,282	164,499
Growing crops	3,800	—	—	—
Work in progress	—	—	—	—
Debtors and prepayments less provisions	12,670	5,266	313	290,475
Cash at banks and in hand ...	10,539	27,885	28,239	55,211
PRELIMINARY EXPENSES of subsidiary companies	—	—	—	—
TOTAL ASSETS	601,603	655,338	442,021	2,057,796
INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas	—	—	—	379,250
CREDITORS AND ACCRUED CHARGES	7,313	15,438	6,584	394,221
BANK LOAN AND OVERDRAFT ...	—	—	—	—

Kasungu Tobacco Estate	Vipya Tung Estates	Swaziland Irrigation Scheme	Usutu Forests	Omo Sawmills of Nigeria Ltd.	Works
£	£	£	£	£	£
59,157	695,612	667,593	589,078	141,873	18,961
5,756	18,731	84,253	55,318	59,265	—
—	—	—	—	—	337,078
—	—	—	—	781	—
11,929	71,131	156,463	13,176	14,585	—
9,543	16,843	57,883	35,652	16,604	182,208
5,015	17,046	18,379	5,952	2,995	33,144
—	—	—	—	—	—
91,400	819,363	984,571	699,176	236,103	571,391
11,342	173,361	43,157	18,337	14,853	713
1,662	5,865	13,720	29,835	7,345	—
—	—	—	—	—	137,233
—	—	—	—	729	—
6,918	24,093	77,870	6,692	8,584	—
8,392	11,790	42,568	22,501	10,466	73,519
2,153	7,028	7,317	2,678	946	—
30,467	222,137	184,632	80,043	42,923	211,465
60,933	597,226	799,939	619,133	193,180	359,926
—	—	—	480,906	—	—
3,742	—	28,873	—	—	—
—	—	—	—	—	—
8,753	—	356,940	42,563	—	17,515
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	12	—	—
—	—	—	—	—	—
—	—	—	—	—	—
19,921	55,636	214,094	80,981	71,525	231,573
10,664	—	62,033	5,555	—	—
—	—	—	—	—	16,970
588	3,209	36,572	15,207	10,776	92,186
19,714	3,472	34,296	9,190	768	44,085
—	—	—	—	—	—
124,315	659,543	1,532,747	1,253,547	276,249	762,255
—	—	—	—	94,702	—
6,112	9,024	27,134	93,934	4,992	436,319
—	—	—	—	9,077	—

INVESTMENTS AT COST

	£	£
SHARES IN AND ADVANCES TO SUBSIDIARY COMPANIES NOT CONSOLIDATED		
Falkland Islands Freezer Co Ltd—advances	278,351	
Tristan da Cunha Development Co Ltd—shares and advances	130,660	
		409,011
SHARES IN ASSOCIATED COMPANIES		
British Guiana Consolidated Goldfields Ltd	87,852	
Trinidad Cement Ltd	1,021,567	
Malayan Cocoa Ltd	21,534	
East Africa Industries Ltd	275,000	
Tangold Mining Co Ltd	60,000	
Held by projects	10,052	
		1,476,005
DEBENTURES AND SECURED LOANS		
British Guiana Rice Development Co Ltd	500,000	
British Guiana Consolidated Goldfields Ltd	513,703	
Cayman Islands Airport	55,500	
Jamaica Citrus Growers Ltd	94,000	
Jamaica Public Service Co Ltd	294,000	
Turks Islands Salt Co Ltd	60,000	
Central Electricity Board Malaya	4,725,200	
High Commission Printing and Publishing Co Ltd	10,000	
Ubombo Ranches Ltd	85,000	
Lagos Executive Development Board	1,250,000	
Held by projects	212,568	
		7,799,971
BUILDING SOCIETY ADVANCES ON MORTGAGE		
Federal & Colonial Building Society Ltd		1,929,296
per statement 2		£11,614,283

IV PROJECT REPORTS

CARIBBEAN REGION

BAHAMAS

16 Eleuthera

(1) (*a*) Estate of 8,800 acres purchased 1950;

(*b*) agricultural operations abandoned 1951, agreement made 1952 for real estate development.

(2) Several properties sold, subject to contracts; since end of year further agreement made for sale of part of remaining property and residue leased to purchaser for seven years with options to buy.

(3) If option prices realised Corporation should recover expenditure on land and property but not losses on abortive agricultural operations.

BRITISH GUIANA

17 British Guiana Consolidated Goldfields Ltd

(1) (*a*) Issued capital £294,628 10s in 2s ordinary shares; at 31.12.53 Corporation held 878,938 with nominal value of £87,893 16s;

(*b*) modifications of terms attached to Corporation's 1948 loan have been agreed; £178,703 balance outstanding will be repaid over 15 years from 31.12.56; Corporation's option to convert into ordinary shares extended to 31.12.56;

(*c*) Corporation has advanced £335,000 secured by debenture under provisions of a second loan agreement made in 1951.

(2) (*a*) 1953 production was 16,025 fine oz gold; profit after charging depreciation, amortisation and debenture interest applicable to loan capital used in operations, £7,986; loss after charging balance of debenture interest and British Guiana tax, £13,141;

(*b*) income received by Corporation in 1953 was £33,109 including 1952 dividend.

(3) (*a*) Drilling and reassessment of middle and upper Konawaruk areas added five million cu yds; prospecting in Mowassie area did not locate any suitable deposits;

(*b*) at 31.12.53 ore reserves were:

Class	Area	cu. yds.	gr/cu. yds.
proved	Mahdia	1,198,500	3·64
,, ...	Lower Potaro	10,436,500	4·39
,, ...	Middle Konawaruk	2,313,500	3·39
,, ...	Upper Konawaruk	26,610,500	3·16
	total and average	40,559,000	3·50
partly proved ...	Upper Potaro	9,800,000	3·47
,, ...	Middle Konawaruk	4,897,000	3·52
,, ...	Upper Konawaruk	3,397,000	2·38
	total and average	18,094,000	3·28
	Grand total and average	58,653,000	3·43

(4) Output from old Mahdia dredge at 2,995 fine oz was well below expectation due to rock bars, dilution, and mechanical breakdowns; production from Potaro dredge at 13,030 fine oz was higher than expected despite low grade ground during first half year and serious breakdown of diesel power plant; improvement resulted from mechanical alterations on dredge and from better handling.

(5) Unsettled political conditions did not affect production or labour relations; trade union continued co-operative.

(6) Unusually prolonged rains delayed construction of airstrip at Konawaruk which held up transport inland of dredge brought from New Guinea in February; new camp and dredge erection site at Konawaruk are complete.

(7) Hydro-electric power station is to be built on Tumatumari Falls; construction started in December, should be finished in 1955; this will reduce power costs; a new subsidiary, Potaro Hydro-electric Co, is being formed.

(8) Substantial profits are not to be expected till some time after Konawaruk dredge starts in 1955.

18 British Guiana Rice Development Co Ltd

(1) This loan to finance expansion of rice production was agreed in 1952.

(2) (*a*) Total is £1,042,000, repayable five years after drawings, with working capital advances of up to £250,000 (or such greater sum as may be mutually agreed) repayable in six months; interest and repayment are guaranteed by British Guiana Government;

(*b*) first instalment of £250,000 drawn, also £250,000 working capital.

19 British Guiana Timbers Ltd

(1) (*a*) In 1948 Corporation acquired a small lumber business with a view to building up the largest modern sawmill in South America and opening up great areas of virgin forest;

(*b*) Corporation's holding is £1,425,000 in ordinary shares out of £1,510,000 issued; remainder held by Steel Bros & Co Ltd, Industrial Holdings (BG) Ltd (Bookers) and Greenheart Demerara, Inc.;

(*c*) in addition Corporation has advanced £467,801 on loan; total investment at cost less amount written off, £1,642,981; development programme now virtually complete;

(*d*) Steel Brothers & Co Ltd are managing agents.

(2) (*a*) In 1953 Bartica Triangle, main forest concession, was prepared for full scale operations;

(*b*) 18,109 tons logs delivered from Bartica (15,240 in 1952, 6,867 in 1951); extraction still not on full scale pending start of new sawmill;

(*c*) completion of sawmill at Houston, Georgetown, was delayed by late arrival of parts; began work in October 1953, officially opened on 15.2.54 by the Governor; La Penitence mill was closed but old Stampa mill continues in operation;

(*d*) a testing year for staff and labour with major constructional effort and unsettled general conditions; labour, 900 strong, well paid and housed, has done well; interruption of work negligible.

(3) (*a*) Sales were 17,573 tons logs and lumber (13,334 tons in 1952, 10,647 in 1951); 28% to UK., 28% to USA, 44% locally;

(*b*) proceeds were £398,553 (1952 £295,978), of which exports, now taken to include all Company's timber leaving British Guiana, contributed £258,600 (1952 £179,555);

(*c*) prices were fairly steady;

(*d*) trading loss for year was £72,581 (1952 £34,858), increase being appreciably but not wholly due to expensive new installations not yet fully operational.

(4) (*a*) Houston should produce at full capacity by end 1954;

(*b*) this Company has great potentialities as support to colony's economy and as dollar earner; it is the most modern timber concern in Caribbean; it should be the most efficient; Corporation looks to its managing agents to make it so.

20 Potaro Hydro-electric Co

(1) British Guiana Consolidated Goldfields Ltd and Corporation are forming this Company to instal hydro-electric station at Tumatumari Falls on Potaro River, primarily to supply power to Goldfields Company.

(2) (*a*) Company's share capital of BG $480,000 (£100,000) will be held—BGCG Ltd 55%, Corporation 45%;

(*b*) Corporation will provide balance of finance required as debenture loan.

(3) (*a*) Construction started in December 1953; should be completed in 1955;

(*b*) estimated cost £340,000;

(*c*) Corporation advance at 31.12.53, £30,000.

BRITISH HONDURAS

21 Barton Ramie Estate

(1) (*a*) This was an attempt to produce ramie fibre as a commercial crop; most of it comes from China and USA:

(*b*) first planting in 1951; about 550 acres now.

(2) (*a*) 1953 production disappointing; weather made harvest late; growth slow and yields poor;

(*b*) 29 tons of decorticated ribbon though 125 estimated.

(3) (*a*) Expert re-assessment in December 1953 showed many unsolved technical problems and recommended further three years experiments; (*b*) new varieties to be tested to replace unsuitable ones; fertilisers, weed and pest control more fully tried; soil survey completed.

(4) Further development on commercial scale has been stopped; it is even doubtful whether further experiment is justified; decision will shortly be made whether to continue on reduced scale or to close down.

(5) Spent at 31.12.53, £169,236, including losses for 1952 and 1953, £45,163.

22 British Honduras Fruit Co Ltd (citrus)

(1) Stann Creek banana scheme was reported last year as abandoned; on urgent governmental representations, alternative uses for land and labour were considered; citrus and cocoa possibilities.

(2) 34 acres were under oranges planted 1949/51 and growing well; 120 more acres had been planted in 1952; acreage under oranges now 500.

(3) For supervision economy cocoa experiment at Sittee River has been moved here; 33 trial acres planted.

(4) Negotiations were in progress with private enterprise for participation in finance and management, but these were broken off when it was heard that United Kingdom intended to import fresh citrus and canned grapefruit from U.S.A.; further plantings have also been stopped.

(5) Book value of assets on citrus and cocoa at 31.12.53, £41,542.

23 Cramer Estates

(1) These estates, widely scattered, many very remote, were bought in 1950; investment is £50,692.

(2) Some of the lands have been leased to local concessionaires for timber and chicle extraction; others surrendered to Government in lieu of land tax.

(3) Rents and royalties from concessions covered land tax and local administration costs.

24 Fort George Hotel

(1) Hotel opened January, completed February; business poor in hot months, picked up in October.

(2) (*a*) Capital cost written down by £150,000; after providing depreciation on reduced capital expenditure of £106,758 hotel made net trading loss of £4,622;

(*b*) accommodation, food, service much commended;

(*c*) suggestions made that additional outside amenities would increase custom; swimming pool is to be built.

DOMINICA

25 Castle Bruce Estate

(1) (*a*) Bought in 1949 for planting with citrus;

(*b*) expected government road did not materialise; without it estate too inaccessible for commercial development.

(2) (*a*) Work stopped in April 1952; protracted negotiations for disposal to Government failed;

(*b*) estate on care and maintenance.

26 Melville Hall Estate

(1) This small estate grows 200 acres of bananas and 200 acres of coconuts (of which 80 immature); largest producer of bananas in Dominica.

(2) (*a*) Intensive manuring and mulching markedly improved bananas; 97,785 stems sold (28,800 in 1952); copra production 88 tons;

(*b*) profit was £6,489 (1952 loss £13,313).

(3) Estate is now well-ordered under new Dominican manager; a small but significant contribution to island economy.

(4) Spent £69,552, including losses to 31.12.53 of £24,542.

27 Dominica Hydro-electric and Cold Store

(1) As to hydro-electric:

(*a*) generating station opened 15.6.53; final section of Roseau switched over to hydro-electric 26.6.53; thermal power station shut;

(*b*) construction of all but one of planned branch transmission lines completed 31.12.53; further transmission and distribution lines will be run where justified.

(2) Spent at 31.12.53, £170,403, including loss for year £5,374; increased consumption expected, leading to better trading results but prices cannot be raised in first five years of operation no matter what loss.

(3) As to cold store:

(*a*) store completed first full year's trading; business expanding slowly; ice sales disappointing;

(*b*) Spent at 31.12.53, £24,162; trading profit for 1953, £176.

JAMAICA AND DEPENDENCIES

28 Cayman Islands Airport

(1) Loan of £55,500 to finance construction of airport agreed in 1952, and fully drawn during 1953.

(2) Principal and interest secured by first charge on revenue of Cayman Islands and guaranteed by Government of the Islands.

(3) Runways completed early in year; BWIA have two weekly services through Island either to Belize or Miami.

29 Grand Cayman Cannery

(1) (*a*) Approved in 1950 to establish turtle soup cannery for turtle industry on which islanders largely depend, product to be sold in USA;

(*b*) cannery completed and production began in April 1952; production suspended October 1952 and cannery closed in May 1953 owing to sales failure.

(2) (*a*) Market research has now confirmed USA as only substantial market but efforts directly and through established agents to introduce product on scale sufficient to justify continuation of canning failed;

(*b*) Corporation should not have embarked on production of article of such limited luxury interest on its own.

(3) (*a*) Negotiations for disposal of factory by lease or sale proceeding;

(*b*) under existing agreement turtles will be taken from fishers' association up to 30.6.54 and sold live in USA.

30 Jamaica Citrus Growers Ltd

(1) In 1951 loan approved up to £110,000 secured by debenture to finance extension of Company's fruit processing factory.

(2) (*a*) At 31.12.53 amount outstanding £94,000;

(*b*) loan repayable by instalments over 10 years to 31.3.61.

31 Jamaica Cooling Store

(1) Store built in 1951 to pre-cool citrus and other produce for export.

(2) 1953 was second full year; it showed trading profit of £669 on storage charges of £19,786.

(3) (*a*) Results would have been better but for poor citrus crop;

(*b*) revenue from storage of other commodities increased by 66% this year;

(*c*) prospects for 1954 are fair.

(4) Spent at 31.12.53, £130,003.

32 Jamaica Public Service Co Ltd

(1) Company supplies electricity throughout island under franchise; Corporation has loaned £294,000 for expansion of activities.

(2) Loan, fully drawn, secured by debenture under Trust Deed; repayable at end 10 years.

33 Turks Islands Salt Co Ltd

(1) (*a*) Debenture loan of £60,000 agreed in 1951 and drawn in full by 31.12.52;

(*b*) Company had been formed by Jamaica Government to work salt on Turks Islands;

(*c*) loan is secured on Company's assets on the Islands.

(2) (*a*) Owing mainly to inadequate loading facilities Company has had increasing difficulties in disposing of salt; sales for year ending 30.9.53 were only 9,180 tons compared with production potential of about 50,000; 45,516 tons were left on hand.

(3) (*a*) Company defaulted in payment of interest at 30th June and 31st December 1953;

(*b*) Corporation has refrained from exercise of full rights under deed pending outcome of discussions with Jamaica Government and Colonial Office.

ST LUCIA

34 Castries Reconstruction Agency

(1) Corporation was agent and consultant to Government for rebuilding fire-destroyed Castries; contractors Holland & Hannen and Cubitts Ltd; value of contract £1,250,000.

(2) Work completed; Corporation staff withdrawn; final accounts being prepared.

(3) Fees earned expected to cover Corporation expenditure with modest margin.

ST VINCENT

35 St Vincent Hydro-electric and Cold Store

(1) As to hydro-electric:
generating station started up 30.3.53; took over load from thermal station 11.4.53.

(2) (*a*) trading loss for year £1,446; initial rapid build up of load eased off towards year end; as in Dominica prices cannot be increased in first five years of operation;

(*b*) spent at 31.12.53, £152,327.

(3) As to cold store:

(*a*) late delivery of materials delayed reconstruction of old government store for over six months; limited ice making and cold storage facilities were made available during reconstruction;

(*b*) ice plant completed August 1953; cold store ready February 1954.

(4) (*a*) trading loss for 1953 was £979, due to loss of revenue during protracted construction period;

(*b*) agreement reached with Bottlers (St Vincent) Ltd for sale of ice and renting of cold storage space; prospects for 1954 are fair;

(*c*) spent at 31.12.53, £24,409.

TRINIDAD

36 Trinidad Cement Ltd

(1) Company formed in association with The Rugby Portland Cement Co Ltd to build and operate cement factory in Trinidad.

(2) (*a*) Authorised capital BWI $8 million;

(*b*) at 31.12.53 issued and paid up capital was $240,000 (£50,000) in $5 ordinary shares, of which Corporation subscribed one-third (£16,667), and $4,800,000 (£1 million) in $5 cumulative redeemable preference shares entirely subscribed by Corporation.

(3) Construction went steadily ahead throughout year and production is expected by July 1954.

FALKLAND ISLANDS

37 Falkland Islands Freezer Co Ltd

(1) (*a*) Abattoir and freezer at Ajax Bay, to process sheep for sale in United Kingdom, was built by Corporation at request of Falkland Islands Government;

(*b*) Falkland Islands Freezer Co Ltd has been formed to take over and run installation; South American Export Syndicate Ltd are managing agents; majority of directors reside locally.

(2) At 31.12.53 total expenditure was £449,590; buildings and plant have been transferred from Corporation to Company for £250,000 and £199,590 written off; Corporation advanced further £28,351 on temporary loan for working capital; Falkland Islands Government have just agreed to advance £50,000 working capital against debenture.

(3) (*a*) Construction was sufficiently advanced for freezer to open partially on 6.4.53; short season's operations provided 181 tons mutton with offals and by-products;

(*b*) owing to late start, number and quality of sheep processed were below expectation; sales revenue about £14,000; trading loss (including depreciation) estimated £34,000;

(*c*) faults noted in operational period are being rectified; additional skin drying shed and corrals erected.

(4) (*a*) Communication difficulties are insuperable; greater local control is essential if Company is to run efficiently;

(*b*) best solution that Corporation should transfer project to local body with financial interest in success;

(*c*) freezer should be very useful and, in time, be economic at an appropriate capitalisation.

(5) (*a*) 1954 season's output should be greater and include some beef; but little prospect of earning profit, even on reduced capital, for several years ;

(*b*) because of communication difficulties audited accounts are not yet available, therefore not consolidated.

FAR EAST REGION

SINGAPORE AND FEDERATION OF MALAYA

38 Central Electricity Board

(1) Between 1949 and 1952 Corporation agreed three loans to finance construction of new 80,000 kw thermal generating station at Connaught Bridge in Selangor State, 26 miles from Kuala Lumpur.

(2) Loans are:

(*a*) first debenture (£3,580,000—repayable by 1960) to complete first half of station;

(*b*) second debenture (£567,950—repayable by 1960) to meet increased cost of first half;

(*c*) third debenture (£2,930,000—repayable by 1963) to complete second half.

(3) First and second debentures, but not third, include option for Corporation to convert into ordinary stock.

(4) At 31.12.53 first and second debentures were fully drawn; £492,050 had been drawn against third; outstanding £4,640,000.

(5) Last year Corporation lent in addition $730,000 (£85,200) for three years to finance staff housing scheme.

39 Federal and Colonial Building Society Ltd

(1) Established by Corporation in 1950 to promote home ownership in Singapore and Federation of Malaya.

(2) (*a*) Progress here shown:

	Applications approved		Mortgage advances outstanding	Mortgage and debenture interest, agency fees and commissions	Net profit/loss before tax
	Number	Amount			
		£	£	£	£
1950 ...	220	472,894	231,734	4,090	1,973 (loss)
1951 ...	613	1,062,401	792,292	31,427	18,702 (profit)
1952 ...	404	792,983	1,477,625	84,916	63,170 („)
1953 ...	303	395,331	1,929,296	136,757	90,716 („)
	1,540	2,723,609			

(*b*) reduction in annual number of applications approved due to limitation of capital available;
(*c*) at 31.12.53 Corporation had subscribed £956,667 in shares and £988,015 in loan, total £1,944,682; balance of mortgages financed by internal reserves;

(*d*) rate of interest charged to borrowers 7%.

(3) (*a*) In 1953 negotiations were completed with Government of Federation of Malaya whereby Government will invest M$10 million in Society and Corporation further M$10 million; both half equity, half loan; this new M$20 million will be used to finance house purchases in Federation;

(*b*) total Society capital M$40 million (£4,666,666)—Corporation M$15 million in equity and loan; Government M$5 million in each;

(*c*) new directors resident in Malaya will be appointed.

(4) In 1953 Society was appointed agent for Government of Colony of Singapore Staff Housing Loans Scheme; managers for Singapore City Council Staff Housing Loans Scheme.

(5) (*a*) Society has advanced money to Serangoon Garden Estate Ltd, largest privately financed housing development in Malaya, £89,973 being outstanding against debenture at 31.12.53;

(*b*) Serangoon company has completed 302 houses; construction of further 117 is well advanced; these houses are priced M$11,900 to M$21,000 (£1,388 to £2,450);

(*c*) majority of house purchasers on Serangoon Estate are receiving loans from Society.

(6) Company's accounts show:

	Net profit (after tax)	Dividends		Balances at 31.12.53	
		Rate	Amount (less tax)	General Reserve	Profit & Loss Account
	£		£	£	£
1950 ...	1,973 (loss)	—	—	—	1,973 *Dr.*
1951 ...	11,547	—	—	8,750	824 *Cr.*
1952 ...	37,792	3%	19,046	26,250	2,070 *Cr.*
1953 ...	53,250	4%	26,787	52,500	2,283 *Cr.*

(7) Society is beginning to raise funds locally.

(8) It has to date helped about 1,900 families of modest incomes to own their homes; it has assisted in reducing costs and improving building standards; and it has made profits; it is managed with efficiency and initiative.

40 Kulai Oil Palm Estate

(1) (*a*) This Johore estate has 1,283 acres of old palms in bearing bought in 1950, and 3,083 acres immature high yielding palms planted since;

(*b*) Guthrie & Co Ltd are managing agents.

(2) (*a*) Production was 652 tons oil and 162 tons kernels; slightly above 1952;

(*b*) average price for oil fell to £67 per ton fob from £115 in 1952;

(*c*) but by drastic reductions in costs profit of £4,899 resulted (after £8,541 provision for replanting).

(3) (*a*) 1,936 acres of new planting in 1953;

(*b*) 1954 programme is 600 acres new planting in addition to 148 acres carry-over from 1953; that will virtually complete planting programme at nearly 5,000 acres;

(*c*) new factory required by 1957 has been ordered; new housing for increased labour force will be started in 1954.

(4) (*a*) Achievement of improved production and maintenance of profit despite fall in prices, also supervision of large development programme, must be appreciated against background of constant terrorist activity; till August manager and wife were the only Europeans;

(*b*) unless market prices for palm oil and kernels greatly improve reasonable returns on investment must wait till heavier yielding new plantings come into full bearing.

(5) Capital employed at 31.12.53, £439,837, including accumulated profits, £34,042.

41 Malayan Cocoa Ltd

(1) (*a*) Company formed (one-third each Corporation, Cadbury Bros Ltd and Harrisons & Crosfield) to experiment in cocoa cultivation in Trengganu, Malaya;

(*b*) Harrisons & Crosfield (Malaya) Ltd are managing agents; Malayan Agricultural Department co-operate.

(2) (*a*) Cultivation continued during 1953 on 55 acres; results now considered sufficiently promising to warrant commercial planting of about 500 acres;

(*b*) 85 are now being planted.

(3) (*a*) Capital will be doubled to finance immediate further development;

(*b*) Corporation holding at 31.12.53 was £21,000.

42 Singapore Factory Development

(1) (*a*) This is designed to encourage introduction of suitable secondary industries in Singapore;

(*b*) in 1951 a 53 acre plot was purchased in Singapore and divided into sites; these sites are sold for cash, Corporation retaining control over nature of development;

(*c*) financial assistance for factory construction may be provided by loans against mortgage.

(2) Sales in 1953 were 7·7 acres; in 1952, 16·4 acres, leaving 28·9 acres.

(3) (*a*) Two factories—textile mill and edible oil refinery—are in production, both constructed with financial assistance from Corporation;

(*b*) two further factories—belonging to Hong Kong Rope Manufacturing Co Ltd and Kiwi Polish Co (Pty) Ltd—are nearly finished.

(4) Directors of Federal and Colonial Building Society Ltd form advisory committee; their general manager acts as manager of factory estate.

(5) (*a*) net profit for year was £16,682 (£11,883 for 1952); increase due to greater receipts of interest;

(*b*) Capital employed at 31.12.53, £138,076 including accumulated profits £28,565; loans outstanding £93,795.

NORTH BORNEO

43 Borneo Abaca Ltd

(1) (*a*) Company formed in 1948 with Corporation minority shareholders, to rehabilitate these ex-Japanese abaca (manila hemp) estates; control bought early 1951;

(*b*) in November 1951 adjacent Kuhara rubber estate acquired;

(*c*) issued capital £2 million, £1,950,000 held by Corporation and £50,000 by Harrisons & Crosfield (Borneo) Ltd; at 31.12.53 Corporation had also advanced £695,369 on loan account;

(*d*) Harrisons & Crosfield are managing agents.

(2) As to abaca:

(*a*) 1,640 acres mature; 2,098 acres immature; further planting in 1954;

(*b*) 1953 production at 1,171 tons more than doubled 1952 output;

(*c*) costs of production substantially reduced and at last below selling prices;

(*d*) but there was trading loss in 1953 of £35,427 (£22,117 being government hemp export duty), increased to £45,899 after providing £10,472 for amortisation of plantations;

(*e*) two new decorticating factories come into production in 1954, and with additional areas ready for harvesting output should increase considerably;

(*f*) North Borneo Government has agreed to make some reduction in rate of hemp export duty.

(3) As to rubber:

(*a*) 12,218 acres, 90% old seedling rubber;

(*b*) production unchanged at 1952 figure of 4·6 million pounds;

(*c*) though production costs were reduced, rubber prices fell more, so 1952 trading profit turned to loss of £19,630, increased to £72,714 after providing £53,084 for amortisation of plantations;

(*d*) replanting with high yielding material started on 100 acres in 1953, will continue on 500 acres in 1954; two new sheeting factories and a new scrap crepe factory will be operating.

(4) Much construction work was done—roads, field railways, factories, bungalows, labour housing; these help to settle workers and improve efficiency.

(5) Total loss for whole job in 1953 including amortisation provisions mentioned was £158,098, after charging other losses of £39,485.

(6) Appreciable economies in operating were made in 1953, the need for which had only been recognised by managing agents after the fall in rubber prices; trading future depends on prices future.

EAST AFRICA REGION

KENYA

44 East Africa Industries Ltd

(1) (*a*) Company's business was mixture of unrelated activities mostly begun in war;

(*b*) retrenchment and rationalisation of 1952 succeeded; all activities except hydrogenation, formulations and refractory bricks closed down; last two plants will be sold;

(*c*) net profit before tax of £31,076 from sales of £335,379.

(2) (*a*) Discussions mentioned last year led to Unilever Limited taking 50% equity interest; they became responsible for management on 1.10.53;

(*b*) Industrial Management Corporation (Kenya Government) retains an interest;

(*c*) cost of Corporation investment £275,000.

(3) Reconstructed Company continues hydrogenation; proposes to produce margarine in 1955.

45 East African Ramie Investigation

(1) This investigation into commercial production of ramie began 1951.

(2) Original plan for trial plots on private farms was abandoned owing to farmers' lack of interest.

(3) Market reports on samples produced were not encouraging; decided to discontinue investigation.

(4) Harvesters transferred to another project; efforts continue to dispose of decorticators and ancillary equipment locally.

(5) Imported American rootstock has been handed to Agricultural Departments in Kenya and Tanganyika for further trials.

(6) Spent and written off, £9,544.

46 Kenya Fish Farms

(1) An investigation to test commercial possibilities of freshwater fish culture.

(2) It has been abandoned as results over twelve months do not warrant further expenditure.

(3) Spent and written off, £1,675.

47 Kenya Housing Loan

(1) Loan of £2 million to Kenya Government for approved municipal and private housing programmes to meet urgent necessity for African housing in urban districts.

(2) Nothing drawn yet.

48 Macalder-Nyanza Mines Ltd

(1) (*a*) The old Macalder mine in south-west Kenya had been worked unsuccessfully for gold; it was on point of being closed in 1949 when Kenya Government asked Corporation to salvage it;

(*b*) orebody is complex of copper, gold, silver, zinc and other metals;

(*c*) Company was formed in 1950 to develop and bring mine to production; property consists of Special Mining Lease of 10 square miles and several small claims in Southern Nyanza Province, Kenya.

(2) Deep drilling on main sulphide orebody stopped early in year; a shallow carbonate orebody, discovered early in 1953, was drilled; geological investigation was concentrated on gold prospects away from main orebody with encouraging results; ore reserves now stand at:

Type	Class	Short tons	Copper %	Gold dwt/t	Silver oz/t	Zinc %
sulphide ...	proved ...	718,000	2·27	2·24	1·81	3·45
,, ...	indicated...	119,000	2·09	2·75	1·25	2·00
,, ...	inferred ...	637,000	1·89	1·60	0·92	2·49
,, ...	transition	36,000	3·88	2·52	1·46	1·82
,, ...	total and averages	1,510,000	2·13	2·01	1·37	2·89
concentrates ...	stockpile...	8,000	4·6	5·4	6·0	18·6
carbonates ...	indicated...	622,000	1·26			
gossan	inferred ...	33,000		10·0		
outside gold ...	inferred ...	150,000		6·0		

(3) Pilot milling finished when operating data for future completed; working costs and recoveries were close to original estimates; 40,173 tons were milled in 1953 producing 3,002 tons export copper concentrates; sales, 3,975 tons, realised £107,701, 3,530 tons were stored for roast-leach treatment bringing total to 8,388 tons.

(4) Results of Dorr Company's research work in USA were satisfactory; demonstrated roast-leach technique suitable for production of copper, gold and silver; recovery of zinc also technically possible but uneconomic at present price.

(5) Stoping operations closed down with cessation of pilot milling; development in depth and laterally will continue during construction stage.

(6) (*a*) Mining, milling and treatment plans are complete; mine will now be brought into full production at 10,000 tons ore per month; additional capital required will bring total capitalisation to £2,100,000;

(*b*) alternative sources for power are still under consideration.

(7) (*a*) Agreement has been signed by which Kilembe Mines Ltd acquire an interest in Macalder-Nyanza Mines Ltd and treat Macalder products in new smelter at Jinja; this is linked with Corporation participation in new finance for Kilembe Mines Ltd;

(*b*) Frobisher Ltd and local business interests are represented on board.

(8) Ordinary capital will be increased from £500,000 to £700,000 of which Corporation will hold £460,000 as at present; Corporation will provide balance of finance required to bring mine to production (£1,400,000) on loan; Corporation loan was £636,361 at 31.12.53.

49 Vitingini Lead Investigation

(1) New Consolidated Gold Fields Ltd and Corporation shared costs of investigating this lead deposit, near Mombasa.

(2) (*a*) Trenching and diamond drilling started in August 1952; 12 boreholes aggregating 3,708 ft completed;

(*b*) investigation was abandoned in October 1953 on recommendation of New Consolidated Gold Fields Ltd since orebody was found to be low grade and uneconomic.

(3) Total spent at 31.12.53 was £10,866 of which Corporation share written off £6,627; final figure will not exceed £7,000.

TANGANYIKA

50 Murongo Mines Investigation

(1) In 1951 Corporation acquired various properties in this mineralised area at invitation of Tanganyika Government which wished systematic prospecting and development done; area lies to west of Lake Victoria in extreme north-west corner of Tanganyika.

(2) (*a*) At beginning of year Corporation assessment of proved and indicated ore reserves was 210,000 tons at 0·3% tin metal; estimation is difficult owing to presence of patches of coarse tin; only bulk sampling could give more accurate valuation;

(*b*) expert investigation by an independent mining house assessed proved and indicated reserves as 300,000 tons at 0·58% tin metal with additional inferred reserves of 700,000 tons; agreed necessity for bulk sampling method;

(*c*) plans were in hand for second stage of investigation, including erection of pilot mill to carry out bulk sampling, establish ore characteristics and put job on self-supporting basis; negotiations for participation by mining house were progressing well;

(*d*) but price of tin dropped heavily to below estimated pay limit of mine; so investigation operations were stopped and prospect put on care and maintenance.

(3) (*a*) Caretaking to fulfil statutory obligations is combined with small scale realisation of ore in sight and in dumps by two engineers; output should pay for caretaking;

(*b*) Tanganyika Government is granting a Special Mining Lease of eight square miles, covering all important known mineral occurrences, selected from area of Special Exclusive Prospecting Licence held, which will be surrendered.

(4) Spent at 31.12.53, £252,066.

51 Tanganyika Coalfields Investigation

(1) (*a*) Corporation undertook exploration of coalfields of south-west Tanganyika at request of Tanganyika Government;

(*b*) field investigation concluded 31.12.52 with 256 million tons proved and indicated;

(*c*) in 1953 investigation team was withdrawn; most buildings, plant and equipment disposed of.

(2) (*a*) A company, Tanganyika Coalfields Ltd, is being formed by Corporation with Government of Tanganyika, Frobisher Ltd of Canada, and Anglo-American Corporation of South Africa Ltd, to take over Corporation's rights; Corporation interest 35½%, balance of consideration being met by issue of unsecured notes by Company:

(*b*) development depends on somebody providing railway;

(*c*) meantime mining leases applied for and property held on care and maintenance basis.

(3) Expenditure in year was £24,920; total at 31.12.53 £439,861 of which £121,589 contributed by local Government and others.

52 Tanganyika Iron (Liganga) Investigation

(1) In 1952 Corporation, Frobisher Ltd of Canada, and Anglo-American Corporation of South Africa Ltd formed a syndicate to investigate Liganga iron ore deposits about 50 miles north of coalfields.

(2) (*a*) Results of geological survey in 1953 are not promising, but investigation continues for limited period;

(*b*) a company, Liganga Iron Ltd, is being formed by same syndicate with Tanganyika Government; Corporation interest 32½%.

(3) Spent at 31.12.53, £15,339.

53 Tanganyika Roadways Ltd

(1) (*a*) Corporation went into this project, with insufficient enquiry, to help in developing road transport in Tanganyika;

(*b*) last two reports indicated great uncertainty and increasing concentration of operation.

(2) (*a*) Scheme is now abandoned; it has been given every reasonable chance;

(*b*) Tanga depot was closed in May; Arusha depot sold in September; remaining depot at Dar-es-Salaam closed in February.

54 Tanganyika Wattle Estates

(1) This scheme, to establish 30,000 acres of black wattle in Southern Highlands, with manufacture of tanning extract from 1958, began in 1949.

(2) (*a*) 17,000 acres of wattle were sown by end of 1952/53 season as planned; owing to drought early 1953 growth was below average;
(*b*) 1953/54 rainy season started normally; harrowing and seeding of 3,000 acres completed by 31.12.53.

(3) Maize is grown to feed labour force.

(4) Plans and estimates for factory, and for private enterprise association are now under consideration.

(5) Government propose to establish African wattle growing up to 20,000 acres nearby ; Corporation advice and equipment would be used for planting, and factory for processing.

(6) Spent at 31.12.53, £507,336.

55 Tangold Mining Co Ltd (Kiabakari Investigation)

(1) (*a*) Corporation investigated Kiabakari gold prospect near Musoma;
(*b*) exploration continued under general manager Macalder-Nyanza Mines Ltd; prospecting stage results were satisfactory; justify proceeding to underground development stage;
(*c*) New Consolidated Gold Fields Ltd took half share in Tangold Mining Co Ltd formed to take over further investigation and development; Company has £250,000 authorised capital; £120,000 issued at 31.12.53.

(2) New Consolidated Gold Fields Ltd are consulting engineers; general manager Macalder-Nyanza Mines Ltd continues in charge.

(3) (*a*) 22 diamond drill holes completed in prospecting stage; consulting engineers consider sufficient ore reserves indicated to justify development; payable mineralisation established 900 ft below surface;
(*b*) second stage exploration and development programme has started; covers further diamond drilling, laterally and to greater depth, shaft sinking and driving levels;
(*c*) it is likely to be completed early 1955 when decision whether or not to proceed to full development and production will be taken.

UGANDA

56 Kilembe Mines Ltd

(1) (*a*) Kilembe mine lies in Ruwenzori Mountains of western Uganda; it has been developed extensively by adits and diamond drilling; ore reserves are:

Class	Short tons	Copper %	Cobalt %
proved	5,882,000	2·12	0·17
indicated	5,439,000	2·12	0·19
inferred	6,460,000	1·47	0·19
total and averages	17,781,000	1·88	0·18

(*b*) Corporation has signed an agreement with Frobisher Ltd of Canada, Kilembe Copper Cobalt Ltd, Kilembe Mines Ltd, and Uganda Development Corporation Ltd for finance to bring mine into production.

(2) (*a*) Approximately £2 million had been spent by Frobisher by beginning of 1953;
(*b*) additional expenditure required is estimated at £4,500,000, bringing total to £6,500,000, of which Corporation will subscribe £1 million in ordinary shares and £750,000 on debenture;
(*c*) Corporation is represented on board.

(3) (*a*) Frobisher Ltd have been appointed general managers and consulting engineers by Kilembe Mines Ltd;
(*b*) agreement is based on Frobisher construction and production plan to equip Kilembe for production of copper and cobalt ore at an initial mining and milling rate of 40,000 tons per month, estimated to produce annually about 8,000 tons blister copper and 400 tons cobalt as high grade cobalt oxide from a smelter to be built at Jinja;
(*c*) products from Macalder mine will, under linked agreement, be treated at Jinja smelter;
(*d*) at proposed rate of production life should be at least 30 years;
(*e*) Uganda Government is extending railway from Kampala to link with mine.

(4) Corporation advance at 31.12.53, £30,000.

57 Lake Victoria Hotel Ltd

(1) (*a*) Corporation in 1950 acquired, at Uganda Government's invitation, controlling interest (87,360 £1 shares of 144,000 issued) in this hotel built by Government;
(*b*) under Corporation management hotel made profits in 1950, 1951, 1952.

(2) Corporation transferred its interest at 30.6.53 to Uganda Development Corporation Ltd, which held remaining shares; management also relinquished.

(3) Corporation received 25s. per 20s. share and interim dividend of 2½%.

CENTRAL AFRICA REGION AND HIGH COMMISSION TERRITORIES

BECHUANALAND

58 Bechuanaland Cattle Ranch

(1) In 1950 Corporation leased 16,000 square miles and set out, without any serious experimentation, to build up a herd of 350,000 cattle and to grow 300,000 acres of fodder and other crops.

(2) As to cattle:

(*a*) in one sense fortunately herd growth has been less rapid than planned—1951, 6045, 1952, 10,278, 1953, 17,374;

(*b*) but cattle purchased too often of poor quality because of scarcity of available fattening and breeding stock;

(*c*) 10% losses in 1953 due to poverty, depredations by wild animals, sickness and stampedes, was better than 1952, but still far too high.

(3) As to crops: harvest failed in 1953 as in 1952; 7,000 acres produced only 1,099 short tons of grain sorghums, sunn hemp and maize, first two difficult to sell.

(4) (*a*) Retrenchment began in 1952; speeded up in 1953 and for 1954;

(*b*) cattle raising now on pilot scale till commercial prospects more fully tested;

(*c*) cattle herd concentrated round headquarters with better defence against losses and control of breeding and fattening; two outlying stations being closed down with reductions in vehicles and staff;

(*d*) agriculture cut from 7,000 to 1,350 acres, all maize for African rations; surplus farm machinery being disposed of; crops experimental programme started under Mr. F. H. Bosman, lately Director of Agriculture, Bechuanaland.

(5) (*a*) 1953 trading loss £102,760 (cattle £69,558, agriculture £33,202);

(*b*) principal reason was of course the over-ambitious programme; cattle not available; conditions for rearing them not proved; cropping possibilities not investigated; organisation and expenditure on scale of a vast and successful activity.

(6) (*a*) Advisory Committee has twice visited ranch and supports policy of retrenchment; its membership strengthened by nomination of two local cattle farmers;

(*b*) and Mr. J. N. Hobday, an experienced and capable Director of Veterinary Services, will be in charge from April 1st to December 31st, on loan from government service, of all three Bechuanaland schemes—this ranch, Molopo Ranch, Lobatsi Abattoir;

(*c*) Corporation hopes he will succeed in getting sense and order into these vexed and vexatious jobs, and in putting them on the road to profitability.

(7) Spent at 31.12.53, £933,257; fixed assets and development, £348,672; net current assets, £245,618 (including livestock, £169,248); capital and trading losses, £338,967.

59 Lobatsi Abattoir

(1) This abattoir in south-east Bechuanaland is to process and export major part of Protectorate's annual cattle surplus.

(2) (*a*) During plant installation serious and shocking structural defects developed in main building;

(*b*) necessary re-construction now proceeding as rapidly as possible; should be completed mid-1954; cost of remedial measures estimated at £100,000;

(*c*) legal action is in hand against consultant-in-charge.

(3) Abattoir's purchases of cattle and exports of livestock products will be regulated under agreement between Corporation and Bechuanaland Administration.

(4) Spent at 31.12.53, £639,900; estimated cost to opening, £715,000.

60 Molopo Ranch

(1) Original purpose of ranch was to regulate throughput of Lobatsi Abattoir by holding cattle offered in excess of current requirements; this idea has now to be reviewed because of Government introduction of quota for cattle marketing.

(2) Herd 18,016 head at 31.12.53; losses from death and other causes 3·8% are less than normal in these conditions.

(3) (*a*) Trading loss for 1953 £45,755, mainly accounted for by new basis of valuation of herd;

(*b*) but only 2,754 head sold instead of over 7,500; thus as yet no fair measure of prospective profitability.

(4) Spent at 31.12.53, £487,779; fixed assets and development, £138,187; net current assets, £297,250 (including livestock, £253,355); trading losses, £52,342.

NORTHERN RHODESIA

61 Chilanga Cement Ltd

(1) (*a*) Cement factory is near Lusaka;

(*b*) authorised capital £2 million;

(*c*) at 31.12.53 issued and paid up capital was £1,300,000 in 750,000 £1 " A " shares, 250,000 £1 " B " shares and 300,000 £1 5% cumulative redeemable preference shares; Corporation held 750,000 " A " shares and 225,000 cumulative redeemable preference shares; total £975,000; remainder of issued capital held by Northern Rhodesia Government;

(*d*) in addition Corporation had advanced £159,779 on loan account; Government £50,000.

(2) (*a*) Production in 1953 was 69,962 tons (62,000 tons in 1952);

(*b*) after Government Cement Pool was abolished on 31.8.53, Company handled exports to Belgian Congo and distribution in Northern Rhodesia of 35,000 tons of cement supplied by two Southern Rhodesia manufacturers;

(*c*) accounts show:

	1953 £	1952 £
Operating profit	229,457	171,971
Net profit after taxation	180,434	137,103
Balance/deficit brought forward	7,192	19,871
Available for appropriation	187,626	117,232
Transfers to reserves	130,000	70,000
Dividends, net: preference 5%	9,375	8,790
ordinary 5%	31,250	31,250
	170,625	110,040
Balance carried forward	17,001	7,192

(3) (*a*) Throughout year coal deliveries from Southern Rhodesia were erratic and often inadequate; shortage caused shutdown for a month;

(*b*) before proceeding with proposed factory extension, survey to prove additional limestone reserves of proper quality initiated; drilling of boreholes and sampling began in July;

(*c*) discussions are in progress with private enterprise.

NYASALAND

62 Kasungu Tobacco Estate

(1) This pilot estate produces mainly flue-cured cigarette tobacco; land clearing started 1950; first crop 1951.

(2) (*a*) 1953 crop harvested from 560 acres was 350,000 lbs; average yield 625 lbs per acre; average price 22d per lb;

(*b*) low prices mainly due to poor quality, this due partly to serious outbreak of alternaria disease.

(3) (*a*) 40 acres of heavily fertilised trial plots showed yields varying from 780 to 1,320 lbs per acre;

(*b*) best expert advice from Southern Rhodesia supports intensive cultivation and fertilising;

(*c*) this treatment now being applied on reduced area of 370 acres in 1953/54.

(4) (*a*) Future depends largely on achieving substantial improvement in yield and particularly quality;

(*b*) Corporation exploring possibility of partnership with local commercial interests.

(5) (*a*) Loss for year, £24,777;

(*b*) spent at 31.12.53, £179,535 including accumulated losses, £61,332.

63 Nyika Forestry Development Syndicate (Investigation)

(1) (*a*) In 1952 syndicate was formed with two commercial associates to investigate afforestation of Nyika Plateau with conifers and to determine whether manufacture of pulp or paper would be practicable and economic;

(*b*) initial cost was £8,000 to each party; a further £4,000 now agreed.

(2) (*a*) Two year investigation programme started in June 1952;

(*b*) planting of trial plots began early 1953; growth reasonably satisfactory but low temperatures, high winds and late rainy season have been encountered; such conditions may prove to be normal.

(3) Forestry consultant visits Nyika in June 1954; will report on progress and submit recommendations on which decision will be taken as to future.

64 Vipya Tung Estates

(1) In 1948 Corporation took over Government's experimental tung station in Vipya Highlands; proposal was progressive development to 20,000 acres, reduced in 1952 to 6,000 acres initially.

(2) (*a*) In 1953 drastic economies were effected; overheads reduced by £19,000 (27%) compared with 1952; further reduction planned in 1954 pending final decision as to scope of project;

(*b*) total of 4,511 acres planted at 31.12.53;

(*c*) expected that 5,700 acres will be planted to tung by February 1955, thus completing present phase of development.

(3) (*a*) Over 150 tons of nuts in husk were harvested; dehusking is still carried out by hand but prototype dehusking machines are to be tried out next season;

(*b*) experimental plots of coffee look promising; there may be further planting in 1954.

(4) (*a*) During year Nyasa Tea Estates Ltd, a local firm with considerable experience in growing and processing tung, was appointed visiting agents;

(*b*) Government has decided to move provincial headquarters from Mzimba to Mzuzu (estate headquarters); transfer of Corporation's surplus buildings to Government has been agreed.

(5) Recent price falls make prospects uncertain; future of Nyasaland tung oil industry may depend on some measure of government protection.

(6) Spent at 31.12.53, less amount written off, £667,521.

SWAZILAND

65 Swaziland Irrigation Scheme

(1) 105,000 acres in northern Swaziland were bought in 1950 to develop irrigated and dry land farming and ranching.

(2) (*a*) In 1953 alignment for canal from Komati River was surveyed in detail; estimated additional cost of full scale canal and related land preparation exceeds £6 million; plans for a less ambitious canal which would enable more gradual development are under consideration;

(*b*) engineering work suspended pending proving of staple crops justifying such expenditure; rice is proved, sugar now being investigated;

(*c*) any decision will need to take into account obligation to supply water to land retained by former owners.

(3) As to 1953 output:

(*a*) 1,200 acres rice, only irrigated crop; yields excellent;

(*b*) dry land crops mainly maize for rations, kaffircorn and groundnuts; yields fair;

(*c*) 785 head of cattle sold from herd of 8,000 kept on uncleared bush veldt; also 620 pigs sold.

(4) (*a*) Trading loss for 1953, £33,363;

(*b*) main reason was excessive expenditure on staff and administration built up in too sanguine expectation of rapid expansion.

(5) (*a*) Cropping for 1953/54—2,000 acres irrigated rice with 1,400 acres maize and groundnuts;

(*b*) trial plots of sugar cane and other crops established;

(*c*) substantial economies in staff and other costs will become effective;

(*d*) discussions proceed with prospective commercial partners for sugar growing.

(6) (*a*) With further pruning of overheads and with more field experience, rice should become a profitable crop;
(*b*) proving of a second main crop would enable development to go ahead;

(*c*) spent at 31.12.53, £1,628,513; fixed assets and development, £1,185,752; net current assets, £319,861; accumulated losses, £122,900.

66 Ubombo Ranches (Pty) Ltd

(1) Company formed late 1951 to develop certain irrigable lands in Swaziland.

(2) (*a*) In 1952 Corporation agreed to lend £85,000 on debenture, repayable by 1973;

(*b*) loan has been fully drawn during year;

(*c*) Corporation is represented on board.

67 Usutu Forests

(1) (*a*) Over 100,000 acres bought by Corporation in 1949 of which about 80% suitable for planting with *pinus patula*, *caribaea*, *taeda*, and some *pseudostrobus;* pulp and paper production in 10 to 15 years from start and lumber later;

(*b*) also 3,500 acres to be planted and tended for Swazi nation.

(2) (*a*) 38,000 acres planted by 31.12.53, being nearly half total area available; despite rising wages and prices, programme still within original estimate—a tribute to management;

(*b*) apart from some minor hail damage in November, condition and growth of trees continue satisfactory;

(*c*) 37·5 miles of roads completed in 1953, 139 miles to date.

(3) From adjoining 1,500 acre farm, Usutu Orchards, crops so far disappointing, but good prospects in pineapples for cannery being erected locally by United Kingdom firm.

(4) (*a*) Planning and preparation for pulp and paper mills continue;

(*b*) in relation to effluent disposal, survey was made of possible water storage sites on Great Usutu River and certain tributaries;

(*c*) as to Union Government undertaking to provide railway link from Usutu to Lothair (Transvaal), proposed route surveyed and pegged on Union section in 1953; similar work on Swaziland section scheduled for 1954; also financial negotiations for railway construction and operation.

(5) (*a*) Preliminary discussions have been held with commercial interests with view to participation and management; an expert mission in 1954 will draw up detailed plans for investment required—£10 to £15 million;

(*b*) this huge forest with its good water supply and promised railway link can become site of first integrated forest industry to be established in Africa, combining low cost pulp and paper with lumber and eventually wood chemicals too.

(6) Spent at 31.12.53, £1,166,088; fixed assets and development, £1,142,602; net current assets, £17,011; accumulated trading loss of Usutu Orchards, £6,475.

68 High Commission Printing & Publishing Co Ltd

(1) (*a*) In 1951 Bantu Press (Pty) Ltd asked financial assistance for African local language newspapers in High Commission Territories;

(*b*) Company formed as wholly owned subsidiary of Bantu Press (Pty) Ltd.

(2) (*a*) Corporation loan of £10,000 is guaranteed by parent company;

(*b*) it is repayable over 10 years beginning 1955.

TRISTAN DA CUNHA

69 Tristan da Cunha Development Co Ltd

(1) (*a*) Company was formed by South African interests in 1948 to catch crawfish off Tristan group of islands; product is frozen tails, mainly for North American markets; islanders are employed ashore and afloat;

(*b*) in July 1950 Corporation subscribed at par £130,000, representing 52% of share capital;

(*c*) accounts to 31st December represent parts of two seasons, as fishing season is from September to May;

(*d*) they are not normally available by date of report, so are not consolidated.

(2) (*a*) Profit for year to 31.12.52 was £11,215;

(*b*) preliminary estimate for year to 31.12.53 indicates considerably lower profit due to late start of fishing season.

(3) (*a*) In 1952/53 season production was 27,342 cases; better than previous seasons;

(*b*) replacement for second vessel purchased and, after extensive refit, started fishing in November;

(*c*) fishing interrupted in November in order that an islander might be conveyed to hospital in Capetown; responsibility for direct costs and loss of profit involved is under discussion with Colonial Office;

(*d*) selling prices are maintained.

WEST AFRICA REGION

THE GAMBIA

70 Yundum Farm (Investigation)

(1) This experimental farm is sited on land originally cleared for Gambia Poultry Farm.

(2) (*a*) 1953 was second of five year programme; field trials with groundnuts, cotton, cereals, vegetables and other crops and livestock continue;

(*b*) multiplication of groundnut seed on 500 acres was undertaken for Government.

(3) Annual expenditure is limited to £10,000 contributed equally by Corporation and Gambia Government; Corporation also contributes £1,250 to manager's salary.

NIGERIA

71 Lagos Executive Development Board

(1) Loan of £1,250,000 to finance reclamation and development of 772 acres at Apapa, Lagos for industrial, commercial and residential purposes.

(2) (*a*) Loan drawn in two instalments in 1950 and 1951;

(*b*) agreement provides that LEDB may refund or Corporation retire loan at end of 10, 20 or 30 years from 1.9.50; otherwise repayable by equal annual instalments from 1.9.61 to 1.9.90;

(*c*) loan guaranteed by Government of Nigeria.

(3) (*a*) reclamation of site completed in 1952; in 1953 401 acres provided with drainage; 210 acres with roads;

(*b*) most industrial and commercial plots on first block of 220 acres have been let.

72 Niger Agricultural Project Ltd

(1) (*a*) This Company was formed in 1949 by Nigerian Government and Corporation to clear large area in Niger province for an experiment in mechanised cultivation and land settlement on share cropping basis; Company to provide services including mechanical cultivation;

(*b*) no investigation or pilot scheme preceded it;

(*c*) at end 1952 some information gained but commercial prospects bad; Government still regarded scheme as valuable contribution to rural welfare despite prospect of continuing trading losses; but this put it outside Corporation's terms of reference.

(2) (*a*) Early in 1953 Corporation notified Government of intention to withdraw; board (controlled by Corporation) continued to administer project on restricted scale on funds provided by Government after 1.7.53;

(*b*) Central Government has now notified decision not to provide further funds and willingness to transfer interest to Government of Northern Region, which must decide whether to continue.

(3) (*a*) Net deficit in 1953, £41,671 (1952, £29,599);

(*b*) chief reason for continuing losses was poor harvest; result of unsatisfactory work by unsatisfactory settlers, and still unsolved technical problems;

(*c*) guinea corn produced some 600 lbs, worth £6 per acre; even lower returns from groundnuts.

(4) Implementation of Corporation's 1952 desire drastically to reduce operations pending experimentation (which should have been done in 1949), and subsequently to withdraw from participation has been impeded by political happenings in Nigeria.

73 Nigerian Fibre Industries

(1) Abandonment of this ill-conceived scheme for sack factory at Onitsha, Eastern Region, has now been agreed by associates, Nigerian Cocoa Marketing Board.

(2) Orders and contracts for equipment and materials cancelled; assets are being sold.

(3) Estimated loss to be divided between parties, £145,000.

74 Omo Sawmills of Nigeria Ltd

(1) (*a*) Company formed in 1950 in association with William Mallinson & Sons Ltd, a group of African timber interests headed by Hon T. A. Odutola, and A. Norman Rushforth Ltd to exploit three forest concessions in Omo and Oshun forest reserves of Western Region; total 429 square miles; one quarter to be cut in 25 years;

(*b*) authorised capital, £250,000 issued and paid;

(*c*) at 31.12.53 Corporation held 143,080 £1 shares; in addition had advanced £41,268 on loan account mainly to finance log stocks accumulated pending full operation of new sawmill.

(2) (*a*) New sawmill came into operation early 1953;

(*b*) input was well below expectation; revised layout recommended by consultants;

(*c*) conversion ratio was also disappointing; improvement was shown in last quarter of 1953 but not yet good enough;

(*d*) reports on quality of sawn Opepe (94% in quantity of sawn timber sales) are favourable;

(*e*) log production and forest costs were better than expected.

(3) (*a*) Sales (57% export 43% local) realised £81,884 of which 55% lumber, 45% logs (1952 £72,844);

(*b*) loss for 1953 was £22,863 (1952 £10,536);

(*c*) increased loss due to high milling costs in first year of operation; mill layout and equipment have been modified.

(4) (*a*) Deliveries to Lagos will be facilitated by bridge over Omo river now at last completed and opened February 1954;

(*b*) little prospect of early improvement of hardwood prices which mostly remained dull throughout 1953;

(*c*) prospects for 1954 depend on increased operating efficiency of new sawmill.

75 West African Fisheries

(1) Project aimed at operating deep sea fishing vessels in West African waters with bases and cold storage depots at Lagos and Port Harcourt for sale of fish, ice and cold storage; there seems to have been no experimentation on the fishing side.

(2) (*a*) Insufficient fish were found in grounds off Port Harcourt; this base was closed and put on care and maintenance in 1952;

(*b*) fishing from Lagos was disappointing; consultant advised that boats were inappropriate and only hope of making project a success was to convert to diesel trawlers and build own jetty;

(*c*) this would have involved further capital outlay not warranted in view of high costs and marketing and distribution difficulties;

(*d*) search for commercial partners was unsuccessful;

(*e*) one trawler sank in Lagos harbour in February.

(3) Decided in May to abandon project.

(4) (*a*) Of two trawlers one was sold to local interests; underwriters have allowed claim on the other as constructive total loss;

(*b*) two cold storage installations and other remaining assets will be sold.

WORKS

76 Works Division

(1) (*a*) Works Division activities were closed down during year except three road contracts in West Africa; jobs completed or abandoned are:

completed:

Belize Hotel
Falkland Islands Freezer
Nyasaland road contract
Gambia Rice Farm works
Apapa Site development

abandoned:

Belize depot
Kano depot
Nyasaland depot.

(*b*) at 31.12.53 £461,509 had been spent and written off on completed jobs and abandoned depots.

(2) (*a*) The three road contracts—one in Gold Coast, two in Nigeria—represent contractual obligations which Corporation has to fulfil;

(*b*) all three contracts, together with Lagos depot, are now under management of experienced public works contractors ;

(*c*) losses on existing road contracts and Lagos depot are £274,444, including £70,000 provision for future losses; cumulative loss to 31.12.53, £457,142.

(3) Works Division is high in the list of discreditable failures.

77 Gold Coast road contract

(1) Contract is for resurfacing 287 miles of Mampong-Bolgatanga road; original value £432,000.

(2) Stirling-Astaldi (West Africa) Ltd took over as managing agents on 1.9.53.

(3) (*a*) Specification was changed in September 1952; it made original price plainly foolish;

(*b*) negotiations by managing agents led to revision of price from £432,000 to £1,344,000.

(4) (*a*) 24 miles completed in 1953, bringing total to 77 miles;

(*b*) operating loss for year was £105,522; approximate loss on whole contract to 31.12.53, £167,000.

(5) With experienced management at last in charge this job may yet break even.

78 Nigerian roads contracts

(1) There are two contracts:

(*a*) Western Region (cocoa roads): resurfacing 178 miles of existing roads; value £293,700;

(*b*) Northern Region (Gusau-Sokoto road): resurfacing 98 miles of existing road; value £198,728;

(*c*) Corporation has arranged with Highways Construction Ltd to manage Nigerian contracts and Lagos depot from 1.2.54.

(2) Western Region roads contract:

(*a*) 53 miles completed during year, bringing total to 72 miles;

(*b*) operating loss for year was £116,054; approximate loss on contract to 31.12.53, £205,000;

(*c*) loss on this contract is due mainly to unrealistic tendering; price at which contract was agreed could not cover costs no matter how efficiently managed;

(*d*) and job was most inefficiently managed so loss aggravated;

(*e*) negotiations with clients resulted in some relaxation in specification, but not as much as hoped;

(*f*) improved price is still subject of negotiation.

(3) Northern Region road contract:

(*a*) 25 miles completed, all in 1953;

(*b*) operating loss for year £52,868; approximate loss on whole contract to 31.12.53 £85,000;

(*c*) here again remarks in (2) (*c*) and (*d*) apply;

(*d*) negotiations have resulted in some concessions in specifications but no amelioration so far of contract price.

(4) Lagos depot was established to service Nigerian roads contracts; is being reorganised under management of Highways Construction Ltd.

79 Nkata Bay depot—Nyasaland

(1) (*a*) Engineering depot at Nkata Bay was established in 1950 as result of representations by Nyasaland Government in expectation of remunerative government contracts;

(*b*) plant and equipment bought but work at remunerative rates did not materialise and such contracts as were undertaken showed heavy losses.

(2) Depot closed in July; plant and buildings sold.

(3) Estimated total net loss on works in Nyasaland, £300,000.

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